Daily Report

Latin America

FBIS-LAT-94-166
Friday
26 August 1994

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FBIS-LAT-94-166 *26 August 1994*

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Cuba

Castro Holds News Conference on Ties With U.S.

FL2608025094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 26 Aug 94

["Excerpt" of impromptu news conference by President Fidel Castro with unidentified reporters following his 24 August interview at Tele Rebelde Studio 11, in Havana, on 25 August; from the "NTV" newscast—recorded]

[Text] [Reporter] Commander, are you prepared to meet President Clinton face to face?

[Castro] I have no objection. I do not know if it will become necessary or if, perhaps, one day it might be possible. I have said that I do not feel any personal animosity toward President Clinton, that I do not have a bad opinion of him, that I have no interest in harming him.

[Reporter] What steps are you willing to take to try to resolve this crisis with the United States?

[Castro] As I said tonight, we are in the best disposition. We have a constructive outlook. We are willing to talk, even if they want to talk about a specific subject. We are willing to broach it. I was explaining that the entire situation is very complex and difficult. Intelligence must prevail in the search for answers, because there are no easy answers for either side. They want to make us use force, and we refuse to use force. This problem, as I explained today, took a long time to develop. It is now a reality. It is not something that happened yesterday or last week. As the figures I use proved, it has been mounting and is already there. It is now everyone's duty to contribute to the solution. However, we would have to discuss many things. You have to understand that this problem is not solved by bringing Mas Canosa [president of the Cuban-American National Foundation] to the White House. With Mas Canosa as a White House adviser, there is no possible solution to this problem or any problem in the world.

[Reporter] Commander, you have implemented certain reforms these past years. Are there any specific reforms that you are willing to implement?

[Castro] There are many things that can be done, but as long as we are involved in problems like this, we will not have much time to think about that.

[Reporter, in English with passage by passage translation into Spanish] I am Mary Murray, from NBC News. Is it necessary, from the Cuban viewpoint, to sit down and talk about the U.S. embargo, the U.S. blockade to begin to see results on the immigration crisis?

[Castro] It is impossible to solve the immigration problem if we do not solve the other problems because they are tied very closely, as the figures I used tonight prove. However, I am not afraid to discuss any specific issue. As long as it is tied to the other issues, it will be easy to see that a solution is not possible unless the determining factors are solved.

[Reporter] Commander, will Cuba maintain its policy of not guarding U S. borders?

[Castro] We are maintaining the policy that I discussed tonight, the one included in instructions to the coast guard. We are still guarding U.S. borders in a way: We have persuaded 1,500 people in just a little time not to leave because of the unsafe means that they would use.

The fact is that no country is the guardian of another's border. Just consider that we have prevented 37,000 people from traveling to the United States in 4 and ½ years. The United States received 13,000 illegal aliens during that period, welcoming all who arrived. It is a tremendous issue because we take care of their borders without pay. They do not give us a single liter of fuel or a single screw. We were not the ones who invited them to leave: The radio stations invited them. We have not encouraged them.

[Reporter] Commander, you denounced this situation in your three televised discussions. Remirez de Estenoz also held a news conference at the United Nations today. If the situation worsens, will Cuba present the problem to that international organization?

[Castro] The problem must be presented wherever it is deemed necessary. It is only logical that we turn to all international organizations as this situation worsens.

[Reporter] Has the U.S. Government responded to the Cuban soldier's murder?

[Castro] No. They have not said a single word.

[Reporter, in English with passage by passage translation into Spanish] President Castro, NBC News has spent a lot of time on the shores watching the rafters leave. The rumor that U.S. speed boats have come in and picked up people has been spreading among the crowds on the beaches. Do you have any information on any U.S. boats coming to pick up people here?

[Castro] No, I have not heard anything about that. I do not have any information on that.

[Reporter] Commander, you said that you had spoken with other leaders from the United States and Latin America who are trying to solve the crisis, not just in recent weeks but in the last year.

[Castro] I did not say that I have spoken to them. I said that some are working on this. They expressed interest in the crisis very recently, in the search for possible solutions to the crisis. While I have not spoken with them, I do know of people who have spoken with U.S. political personalities. However, I would not want to be indiscreet. I do not want to start mentioning names.

[Reporter] Why not?

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[Castro] Because that would not be helpful. In other words, I do not know what their views are on the matter.

[Reporter] Are negotiations with some of these leaders on the way?

[Castro] No. There have not been negotiations, but there have been contacts and exchanges.

[Reporter] Who can best negotiate or mediate some kind of resolution to this crisis?

[Castro] The best way? The people who have expressed interest can express their views. The truth is that they play a positive role. We have not objection to their being intermediaries, but there could also be direct contacts with the administration itself.

[Reporter] Has there been pressure on Cuba from any other country to sit down with the United States to discuss a solution to the crisis?

[Castro] No. I would not say there has been pressure, but there has been interest in this problem being solved. Many people are very interested, and they have communicated this to us. They would like the problem to be solved, but no one is the winner in these matters.

[Reporter] Could you mention any specific country?

[Castro] I do not want to name any specific country because they might get offended. They might not want to speak to me if they heard that I was telling the press everything they told me.

[Reporter] Commander, you mentioned that sending Cubans to Guantanamo violates the Guantanamo Bay Naval Base agreements. Will Cuba use this argument at some point in time?

[Castro] We mentioned that this was just one of the problems, during a review of the situation. I said today that there is a positive aspect to Clinton's decision: They have spoken of measures to discourage these emigrations for the first time. We do not agree with how he said it or with the fact that the base is being used. This just complicates the problem. It does not benefit the United States to use that base for that purpose. We are not pleased with this. We do not know [word indistinct], but this is not the main problem.

[Reporter] As far as investments in Cuba are concerned—joint enterprises, etc.—has this situation affected possible investments in any way?

[Castro] I have not received any information on important effects. So, far...[pauses] Of course, when it comes to investments, the best thing is peace and security.

[Reporter] In addition to trying to end the blockade, is Cuba working in any other way to alleviate this situation? Is there anything in the immediate future that could solve or ameliorate the effects of the blockade from an internal point of view?

[Castro] We now must make great efforts to preserve what we have and to try and improve on it. However, this is not easy under the present blockade conditions. Many people are putting forth their greatest effort. We are striving for everyone to put forth their greatest effort to improve. We have seen some progress. The people cannot imagine how harmful it is, the full burden of the blockade. The blockade would not be so harsh if the USSR and the Socialist bloc still existed.

[Reporter, in English with passage by passage translation into Spanish] Mr. President, I am from NBC News. I want to ask you about Guantanamo: Analysts believe that Guantanamo could become a flashpoint for both nations. U.S. Defense Secretary William Perry warned Cuba to be careful about allowing Cubans to enter the base perimeter.

[Castro] It would be better if he did not advise us on our actions. We do not want to complicate matters. Our goal is to search for ways to improve the situation and to find a solution. I do not understand what that warning means. It could be seen as negative, if it was meant to intimidate. That is not good language to be using right now. He may be concerned about rumors that people wanted to enter the base. Some were even trying to travel and enter with the hope that from the base [words indistinct] it was logical to go directly to the base. Some people were thinking along those lines. We have not encouraged this in any way; rather, we have taken measures to reinforce the measures already in place to avoid any such attempts there.

[Reporter] I understand that, Mr. President. However, the last time Cubans were sent to the United States—for example, those sent to Fort Chafee—there were problems. There were riots in Atlanta. Ed Ravel announced that accommodations for up to 60,000 Cubans are being set up in Guantanamo.

[Castro] They have plenty of land for that.

[Reporter] Do you think the time has come for quiet diplomacy to resolve this crisis?

[Castro] I addressed quiet diplomacy just a few minutes ago. Even so, there are certain things that we must express publicly, our position and our view of the problems that have been created and of what has been happening. We are within the framework of quiet diplomacy. We are more discreet than the present administration.

[Reporter] Commander, some of the Cuban people I have spoken to in the streets say that they want to leave because they do not have jobs, food, gasoline, because they have no future here, and because they no longer believe in socialism. Do you understand their feelings? Or do you resent them leaving?

[Castro] No. I understand. It hurts me, of course. However, I have pointed out another reality: There is a strategy to suffocate the country, defeat it by hunger and

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illness. This has, of course, created difficult situations. What we have done to guarantee everyone a minimum income and to meet everyone's minimum needs has not been enough. It is a hard and difficult situation. Our people's attitude was different when the economic situation was different. Surveys show that many have said that they would not leave Cuba if things were as they were in the '80s. This is logical and human nature, considering the conditions of the special period.

[Reporter] What about the older loyalists? Those who defended the Revolution and did not leave in the '80s? Those who have defended the Revolution and now, many years later, see that the dollar and foreign tourists are here and that so many other things that you abolished at the beginning of your Revolution have come full circle?

[Castro] Of course, these things did not exist when we could afford not to have them, when we did not have to take them into account. We have not changed our ideas or our wishes. We favor equality and a more ample social justice, and this situation creates certain privileges. They are real. But the consequences of not accepting certain privileges can be even more harmful. Under these circumstances, which...

[Reporter, interrupting] Then, would you accept a full free market economy in line with that thinking?

[Castro] I would not say that we could solve all our problems with a full free market right now. We are studying the experiences of Vietnam and China, what they call the socialist market. We are studying all those mysteries...[pauses to chuckle] and all those [words indistinct]. In today's world and under the current circumstance, we must sacrifice some of our wishes and some of our ideals. We must stop hoping that some of the things we are doing today we will be able to do in the future. We will always defend the principles of social justice and equality. We will not be able to do as much as we would like to do. We must do what we can.

[Reporter] Mr. President, the Pentagon is supposed to deploy a few thousand more U.S. soldiers to Guantanamo over the next few days. Does Cuba see this as a threat to the island's security in any way?

[Castro] They announced publicly that they would increase personnel in light of developments, to fulfill a mission that has no military significance. We already know that they will increase the number of people there. They have made the gesture of reporting it.

[Reporter] Do you believe that they do not have military intentions?

[Castro] Yes. There is no military intention. The truth is that the base itself, from a military point of view, is of relative value. The Pentagon has various options, some much more efficient than that base. The base has become a political problem, an instrument to humiliate us and nothing more. The base does not have great military value. I do not think it would be the right strategy to smuggle people onto the base to organize an aggression against Cuba. Nor do I think its objective is to intimidate us. That is my sincere point of view.

[Reporter] Commander, the Clinton administration hopes that this crisis will force your hand to step down.

[Castro] Clinton may believe this. I do not know what Clinton thinks. It would not harm me, personally. [chuckles] I do not know if his wishes toward me are as noble as that. [chuckles]

[Reporter] Has it been easy to follow Clinton's position around this crisis? Or has it been contradictory, as some analysts say in the United States?

[Castro] No, it has not been too difficult. However, I am disappointed by the fact that the head of the Cuban-American Foundation has been in the White House discussing U.S. foreign policy decisions. Where is U.S. pride and the sense of honor? I thought mafia heads like this one were not welcome to discuss important foreign policy decisions. That was very disappointing to me.

[Reporter] Commander, in your opinion, what influence could the attitude of the Cuban community in Miami have in boosting a solution to this problem?

[Castro] They are concerned. They have been affected by all these measures. I know that many people there are interested in finding solutions which could have an influence. Mas Canosa did horrible things to the Cuban community. He has affected a large part of that community. He has affected relatives here, as well as many other people, with the policy that he is proposing. He is talking about a blockade. He is talking about an invasion. These are words of a madman. Wouldn't it be better to send him to a hospital?

[Reporter] Do you think the protests in Miami against all these latest measures will continue to increase?

[Castro] I am not up to date on protests in Miami. I have only heard that there have been some protests. However, I am sure that the awareness of the people in Miami, the Cubans in Miami, is increasing.

[Reporter] Comrade Fidel, what advice could you give to the Clinton administration at this time?

[Castro] That they be level-headed; that they analyze the situation seriously; and that they seek realistic and fair solutions to this problem, solutions that would benefit the United States and Cuba. That is the only recommendation I have to offer. And to wish him a better birthday next time. [crowd laughs]

Notes 'Positive Aspect' of Clinton's Decision

FL2508183294 Havana Radio Rebelde Network in Spanish 1700 GMT 25 Aug 94

[Text] Minutes after his appearance on the "This Very Day" program, Commander in Chief Fidel Castro held a news conference with national and foreign reporters.

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[Begin recording] [Reporter] If the situation worsens, will Cuba present the problem to international organizations?

[Castro] [coughs] I believe the problems must be presented wherever it may be necessary. [Words indistinct] as this situation worsens.

[Reporter] Regarding the murder of the Cuban soldier, has there been any response from the U.S. Government on this matter?

[Castro] No, they have not said a single word.

[Reporter] Commander, you mentioned the fact that this situation of sending the Cubans to Guantanamo violates the agreements of the Guantanamo Bay naval base. Will Cuba use this argument at some point in time?

[Castro] Well, we mentioned this during the explanation given on today's program as well as during my analysis of the crisis. As I said today, there is a positive aspect in Clinton's decision. For the first time, they have spoken of measures to discourage these emigrations. What we do not agree with is the way he said it and the fact of the base being used. This just complicate the problem. I do not think it is beneficial for the United States to use that base for those purposes. Well, that is something we are not pleased with. We do not know [word indistinct], but the main problem does not consist of this.

[Reporter] As far as investments in Cuba are concerened, in the matter of joint associations, etc., has this situation affected the possibilities of investments in any way?

[Castro] I have not received any information on important effects. So, far...[pauses] Of course, when it comes to investments, the best thing is peace and security.

[Reporter] Besides trying to eliminate the blockade, is Cuba working in another sense to alleviate this situation? Is there anything, within the near future, that could solve or alleviate the effects of the blockade from an internal point of view.

[Castro] Right now we must make a great effort to maintain what we have and try to improve on it. That is not easy in midst of the conditions of the blockade. Many people are making great efforts. We try so that everyone makes an effort to improve. We always achieve some advances. People cannot imagine how harmful the blockade is and the huge load it represents in many senses.

[Reporter] Don't you think quiet diplomacy would be better to try to solve all these problems?

[Castro] I believe we spoke of this a moment ago of quiet diplomacy. But there are some things that we must say publicly: our positions, our opinion on the problems created, what has been happening. I believe we are within that quiet diplomacy and that we are more discreet than the administration...[end recording]

'Irrational' U.S. Policy Seen in U.S. Spokesperson Comment

FL2508185094 Havana Radio Rebelde Network in Spanish 1700 GMT 25 Aug 94

[Text] Once again the United States demonstrated its irrational and intransigent policy towards Cuba, with the declarations made by White House spokesperson Dee Dee Myers. This morning, in Washington, Myers stated that the U.S. Administration does not think it would be useful to establish high level negotiations with Cuba. The declaration was made just hours after President Fidel Castro declared Cuba's willingness to discuss serious solutions to this problem, stating that the eventual exodus is caused by the criminal economic blockade applied by the United States for more than 30 years.

Furthermore, Attorney General Janet Reno reiterated that rafters would not be admitted into U.S. territory and considered that such measures would stop the illegal migratory wave.

Regional Reaction to U.S. Requests on Immigrants Noted

FL2508145294 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 25 Aug 94

[From the "NTV" newscast]

[Text] After a meeting in the White House a group of high ranking Clinton administration officials traveled to Florida. They met with community leaders to oversee the transfer by the Coast Guard of all illegal Cuban immigrants to the tents at the Guantanamo Naval Base.

Another option analyzed at the White House was that the United States request, as it has done already, that several nations in the region accept the illegal Cuban immigrants, but to date the request has not been well received, according to foreign press agencies.

In Panama, Ernesto Perez Balladares, to be sworn in as president next week, stated that if Washington clarifies its request he is willing to accept the illegal Cuban immigrants as long as they are held on U.S. military bases and that the United States pays all the costs involved in the operation. Perez Balladares stated that the Cubans could be held at any of the 10 bases that the United States has in the area of the Canal. The illegal immigrants would not have any contact with the population nor would they be allowed to work or establish themselves in Panama.

In Nicaragua and Costa Rica official sources have stated that their countries are not able to accept the Cubans. A spokesmen for the Government of Guatemala stated that they had not received any request from the United States. In Venezuela, Foreign Minister Miguel Angel Burelli stated that this issue has not been presented to them, however, they have no intention of accepting. Today foreign press agencies reported that the Government of Great Britain believes that the situation between

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Washington and Havana does not affect Cuba's tourism. The EVENING STANDARD reported that British travel agencies requested the opinion of the Ministry of Foreign Affairs on the issue. They were told that Cuba is a safe place for British tourists.

As a consequence of yesterday's meeting in the White House, a contradictory and unexpected press conference was held today in Washington. During the meeting Clinton administration officials—Secretary of Defense William Perry and Secretary of Justice Janet Reno—avoided mentioning the fundamental issue that has caused the current situation: the blockade. No matter how many questions were asked, reporters did not get any answers concerning that issue.

Report on U.S. Rally, EU Rejection of Blockade

PA2508154094 Havana Radio Havana Cuba in Spanish 1300 GMT 25 Aug 94

[From the "Morning Information Review" newscast]

[Text] Scores of people gathered in front of the White House in Washington to protest U.S. policies against Cuba and the threat of a naval blockade against the island. Bryan Adams, local coordinator of the Hands Off Cuba coalition, indicated that a naval blockade against Cuba constitutes an act of war and urged Americans to reject any threats by the U.S. Government against Cuba. Adams told the media that his coalition opposes recent decisions by the U.S. Government to tighten the blockade including the prohibition on cash remittances to Cuba and the reduction in the number of Miami-Havana charter flights.

THE WASHINGTON POST, in the meantime, published in its latest issue an interview with virtual Mexican President-elect Ernesto Zedillo, who stated that the United States and Cuba should hold direct talks in order to resolve the migration crisis.

It was learned in Brussels that contrary to the U.S. policy of maintaining a blockade for over 30 years against the island, the EU deems it wise to implement an opening in its relations with Cuba. According to a ranking official cited by AFP, the EU is promoting a more flexible approach than the United States regarding Cuba. The 12 EU member states oppose the U.S. blockade against Cuba, and most maintain commercial relations with Cuba. The EU has voiced its rejection of the obstacles imposed by the United States regarding its commercial relations with Cuba, especially after Washington extended the commercial blockade against Cuba to include European subsidiaries of U.S. companies. The EU provides Cuba with food, as well as medicine and medical equipment.

Envoy to Tehran Rebuffs U.S. Policy, Admits Economic Errors

LD2508145794 Tehran IRIB Television First Program Network in Persian 1430 GMT 25 Aug 94

[Text] The Cuban charge d'affaires in Tehran, in an exclusive interview with our correspondent, said: The economic problems of the Cuban people are the main reason for their seeking refuge in America, and those problems stem from an iron wall that the Americans have built around Cuba in the past 30 years. We admit our wrong economic policies and are seeking to redress them.

The Cuban charge d'affaires in Tehran also said: America's political pressures and military threats will not change Havana's policies regarding that country.

Refusal To Negotiate 'Could Isolate' White House

PA2508222294 Havana PRENSA LATINA in Spanish 2035 GMT 25 Aug 94

[Article by Ruben Cortes]

[Text] Havana, 25 Aug (PL)—The U.S. refusal today to hold high-level negotiations with Cuba could isolate the White House in this new chapter of aggravation in relations between the two neighbors, according to local observers.

While William Clinton's administration today ruled out the possibility of talks as a solution to the current bilateral crisis, the PRC Government and Ernesto Zedillo, Mexico's virtual president-elect, proposed a dialogue to settle differences between Cuba and the United States.

White House Spokesperson Dee Dee Myers reiterated the decision to maintain an economic and financial blockade against the Caribbean nation in a clear allusion to statements made by Cuban President Fidel Castro on the urgent need to discuss the issue and curb the current exodus of Cubans to the United States.

The Cuban leader expressed last night on a national radio and television network Havana's decision to give border guard troops maximum flexibility concerning illegal departures from the country, because the economic factor (a strengthened blockade) is basically causing the large-scale illegal exodus.

Nevertheless, Myers immediately said that the U.S. Administration considers it useless to establish high-level negotiations with Cuba.

Local and international analysts agree that the U.S. position is absurd and predict that, in the long run, the United States will be isolated in terms of its policy toward the island.

Referring to this on Saturday, 20 August, Clinton admitted that his country has done more than any other to put an end to the Cuban revolution: "We have worked arduously, frequently alone, toward this goal...," he said.

Clinton is the first of the last nine U.S. Presidents to admit Washington's isolation in its attempts to liquidate the social project in which the Cubans have been engaged for over three decades.

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Within this lapse, the U.S. policy toward Cuba received an increasingly weaker international reaction, and the last two UN General Assembly sessions condemned the blockade. In November 1993 the United States only obtained three favorable votes at the United Nations.

Furthermore, the island has diplomatic and consular relations with 147 states; 150 international economic associations have been established between Havana and 30 countries; and half a million tourists visit Cuba every year.

In fact, influential U.S. newspapers, including THE WASHINGTON POST and THE NEW YORK TIMES agree with congressmen, intellectuals, clergymen, and academics in demanding an end to the blockade and political conflict.

In an interview published by THE WASHINGTON POST on Thursday, Ernesto Zedillo, virtual winner of the presidential elections in Mexico, said the United States and Cuba should establish a direct dialogue to solve the immigration crisis.

Zedillo said the Cubans would not be motivated to abandon their country were it not for their desperate economic conditions, which have been exacerbated by the U.S. blockade. He added that it would be possible to solve the problem if the United States were willing to let Cuba follow its own road.

U.S. political personalities have joined the appeal for wisdom and a rational position on the bilateral situation, including Democratic Senator Christopher Dodd from Connecticut and Wayne Smith, an academic—both of whom participated in news segments during the 25 August television network.

Moreover, the PRC, a permanent member of the UN Security Council, advocates a dialogue based on equality and rejected the economic blockade and all types of pressure as the means to find a solution.

U.S. To Build 'Concentration Camps' in Texas for Refugees

FL2608014594 Havana Radio Rebelde Network in Spanish 2300 GMT 25 Aug 94

[From the "Exclusive" program]

[Text] A Spanish news agency is reporting that the U.S. Immigration and Naturalization Service confirmed on 25 August that plans are to build a detention center for undocumented immigrants in (Puerto Real), Texas, to house any arriving Cuban rafters.

[At the end of the "Exclusive" program, the announcer headlines this story in a recap of the news: "New Concentration Camps Are Being Prepared in Texas for Illegal Cuban Emigres."]

French Communist Party's Protest Over U.S. Policy Noted

FL2508234094 Havana Radio Rebelde Network in Spanish 2300 GMT 25 Aug 94

[From the "Exclusive" program]

[Text] The French Communist Party [PCF] has asked President Francois Mitterrand to officially distance France from U.S. policy on Cuba. PCF Secretary General Robert Hue points out in an open letter to Mitterrand the intolerable arrogance shown by U.S. President Bill Clinton regarding Cuba and condemns his efforts to isolate, destabilize, and asphyxiate the Cuban population. Hue added that the United States has not met its goal despite the shortage of food, medicine, fuel and the intense media propaganda fostering tension and migration. After denouncing the imperialistic and overbearing U.S. attitude, Hue urged France not to support U.S. plans to bring the issue before the UN Security Council.

Havana Cites PRC Call for Cuba-U.S. Dialogue

FL2508211894 Havana Radio Reloj Network in Spanish 1942 GMT 25 Aug 94

[Text] The PRC today called for dialogue, based on equality, to find a solution to the conflict between Cuba and the United States, and rejected the economic blockade, or pressures of any kind as a means of finding a solution. A spokesman for the Chinese Foreign Ministry stated during a telephone interview with PRENSA LATINA that conflicts between countries must be solved according to the five principles of peaceful coexistence.

The PRC Government, he added, insists that results between nations must be attained through dialogue, negotiation, and accords, because pressures will never do. In regard to the use by the United States of the Guantanamo Naval and air enclave to hold Cuban immigrants, the PRC Foreign Ministry spokesman added that the PRC is opposed to the establishment of military bases and to the buildup of armed troops on foreign territories.

PRC Spokesman Expresses Support for U.S.-Cuban Talks

PA2608045694 Havana PRENSA LATINA in Spanish 1521 GMT 25 Aug 94

[Text] Beijing, 25 Aug (PL)—The PRC today expressed its support for a dialogue based on equality to find a solution to the dispute between the United States and Cuba. It also rejected the economic blockade and pressure of any kind as a means to find a solution.

Disputes and problems between countries must be solved based on the five principles of peaceful coexistence, following the spirit of mutual respect and through a dialogue based on equality, a Foreign Ministry spokesman said in a telephone conversation with PRENSA LATINA.

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He said: The PRC Government always states that problems between countries must be solved through dialogue, negotiations, and agreements, because pressure will never solve them.

The PRC opposes the installation of military bases and armed forces in foreign territories, the spokesman said in reference to the United States' use of the naval enclave at Guantanamo to hold Cuban immigrants.

The people's right to choose their social system and development model must be respected, the Foreign Ministry spokesman said. He emphasized that the PRC opposes intervention in the internal affairs of other states by methods such as economic blockades and the use of force.

He said relations between Beijing and Havana "are experiencing healthy, happy development," and he recalled that Cuba was the first Latin American country to establish diplomatic relations with the PRC.

The PRC-Cuban ties of friendship and cooperation, based on the five principles of peaceful coexistence, coincide with the basic interests of the two nations, he concluded.

Border Guard Warns Refugees of Unfavorable Seas

FL2508232294 Havana Radio Rebelde Network in Spanish 2300 GMT 25 Aug 94

[From the "Exclusive" program]

[Text] The Border Guard has advised that conditions at sea will be unfavorable off western Cuba and the state of Florida tonight and very likely tomorrow. It recommends, in particular, that anyone trying to leave Cuba not do so under these conditions. Border Guard vessels have increased patrols of territorial waters since early morning to aid vessels in the area. The Guard advises the public that the Weather Institute will continue to issue reports updating conditions.

Robaina Meets With Politicians, Businessmen in Chile

PA2508201594 Havana PRENSA LATINA in Spanish 2358 GMT 24 Aug 94

[Text] Santiago, Chile, 24 Aug (PL)—Cuban Foreign Minister Roberto Robaina fulfilled a busy work agenda today in this capital, where he met with businessmen, ministers, and leaders of the largest Chilean political parties.

The foreign minister met with Victor Manuel Rebolledo, minister secretary general of government, and with Economy Minister Alvaro Garcia.

The visiting official also held a meeting with a large group of prominent Chilean businessmen and entrepreneurs, with whom he discussed the economic situation of his country and the facilities the current legislation offers foreign investors.

This was one of the main issues the Cuban foreign minister discussed in the morning, when he delivered a lecture at the headquarters of the of the Economic Commission for Latin America, in which he stressed that in the economic area, the island gives priority to investors from the region.

During the meeting between Robaina and Garcia, which was also attended by Cesar Gomez, director of the National Tourism Service, different cooperation possibilities between the two countries were explored, particularly in the area of investments and tourism.

At the end of the meeting, the minister of economy mentioned the possible organization of a tour of businessmen to Cuba to learn there the specific sectors and objectives in which private Chilean investors would be interested.

The Cuban foreign minister also held today a series of meetings with leaders of the most imporant political parties comprising the government coalition, as well as with Andres Allamand, president of the National Renovation Party, and Gladys Marin, secretary general of the Communist Party.

Before leaving tomorrow for Bolivia, next leg of his tour of several Latin American countries, Robaina will hold a meeting with representatives of solidarity organizations with Cuba and Cuban citizens residing in Chile.

Concludes Official Visit

PA2508201694 Havana PRENSA LATINA in Spanish 1228 GMT 25 Aug 94

[Report by Juan Roberto Loforte]

[Text] Santiago de Chile, 25 Aug (PL)—Cuban Foreign Minister Roberto Robaina today concluded an official three-day visit to Chile, during which he met with four ministers, the leaders of both houses of Congress, and the top leaders of seven political parties.

Amid the great expectations of local reporters and foreign correspondents, the head of Cuban diplomacy fulfilled a tight work schedule that also included a meeting with the Chamber of Deputies' Foreign Relations Commission.

Apart from brief statements to reporters at the beginning and end of official activities, Robaina granted exclusive interviews to four television channels, five newspapers, and one radio station, and his statements and meetings were featured during prime time hours on the local news media.

The intensification of U.S. hostility toward Cuba, which has gained prominence with the immigration problem, the difficult conditions under which the people are working to overcome their current difficulties and systematic complaints over the U.S. blockade were among the basic issues Robaina discussed.

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During a work meeting on Tuesday, Chilean Foreign Minister Carlos Figueroa confirmed the Eduardo Frei administration's position, which is opposed to one country (United States) implementing unilateral measures of pressure against another, such as the blockade on Cuba.

Both ministers expressed their governments' resolve to continue developing bilateral relations in the spheres of economics, trade, tourism, and culture, and to maintain the political channels of communication that have been opened.

Regarding the recurring topic of the escalation of the U.S.- Cuban conflict, Robaina insisted that Cuba is willing to negotiate with the authorities in Washington to resolve the basic problem, adding that the Clinton administration's measures do not get to the bottom of the crisis.

He stressed that the purpose of his current tour of South America is not to seek mediators for the conflict with the United States because, he said, U.S. citizens as well as Cubans are perfectly aware of the respective points of view and positions held by both sides.

In the economic sphere, the Cuban foreign minister met with a group of prominent businessmen from the banking, food, paper, lumber, tourism, aviation and telecommunications sectors among others, whom he invited to visit Cuba to examine first-hand the business and investment possibilities that exist on the island.

In this regard, Economy Minister Alvaro Garcia offered to sponsor a visit by a large group of businessmen in the near future and to help to promote the investment of Chilean capital in the Caribbean nation.

Robaina also invited the Chilean business sector to exhibit their products and services at the Havana international fair scheduled for October, as a specific means of establishing joint business ventures with Cuba.

In the political sphere, the head of Cuban diplomacy spoke at length, in an open and sincere manner, with leaders of the ruling Christian Democratic Party, Socialist Party, Party for Democracy and Democratic Left Party, and the opposition National Renewal Party (rightwing) and Communist Party.

Robaina insisted that Cuba is not trying to make everyone share its points of view and policies, but it would like, in any analysis of the Cuban reality, for the Cuban point of view to be seriously considered.

Everyone must know, he said, that Cuba is working under abnormal conditions, under pressure, harassment, and constant threats and, therefore, its situation is not comparable with that of any other nation, and the same demands cannot be made of it.

He likewise requested that questions be asked not only of the blockaded country concerning how it feels to be under this criminal siege, but also of the blockading, aggressor country (United States) concerning this abnormal situation.

On Thursday, Robaina will carry out a private half-day schedule that will include meetings with Chilean solidarity groups and a large segment of Cubans who reside in Chile, after which he will travel to Bolivia, the next lap of his South American tour.

Comments on Results of Visit

FL2508212794 Havana Radio Rebelde Network in Spanish 1700 GMT 25 Aug 94

[Report by correspondent Orlando Contreras; from the "National Radio News"]

[Text] Cuban Foreign Minister Roberto Robaina will be departing in approximately one hour for Bolivia, ending a visit to Santiago de Chile which began on 22 August. In exclusive statements to this reporter, Robaina said that he was satisfied with what had been achieved and with the conversations held at various levels here in Chile. Let us listen to part of his statements:

[Begin recording] Much was said by both sides. The Cuban side hoped that with our visit, we could contribute, with both sides learning more of our respective realities. I believe that today, apart from what we may disagree on, an important part of the Chilean Government's structure, represented in all the political aspects, knows of the great campaign that exists against Cuba. There are points of views [words indistinct] I have found much understanding, respect, and a feeling of wanting to improve relations regardless of discrepancies and ideological affiliations. We therefore found what we had professed for the Chilean reality: understanding and respect. I do not have to share in the Chilean model. Nevertheless, I respect the way that Chile has [words indistinct]. [end recording]

These were statements by Cuban Foreign Minister Roberto Robaina hours prior to the end of his visit to Santiago de Chile.

Russian Official on Strengthening Ties With Cuba

PA2508022294 Havana PRENSA LATINA in Spanish 1820 GMT 22 Aug 94

[Report by Luis Enrique Gonzalez]

[Text] Moscow, 22 Aug (PL)—There are possibilities for Russia and Cuba to strengthen their economic and commercial relations based on mutual benefits, Academician Vladimir Borodayev asserted today.

In statements to PRENSA LATINA, the head of the Caribbean Investigations Department and the Russian Latin American Cooperation Institute referred to recent advancements in the efforts to renew trade between Moscow and Havana.

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One of the most important steps in this direction, he said, was the agreement to protect investments signed by both countries in July 1993.

In his opinion, another vital step in this sense was the agreement to establish joint ventures, being the most noteworthy four firms in this capital city and St. Petersburg, as well as the International Roscuba Association.

The use of the productive potential that already exists on the Caribbean island, including the almost 600 factories and plants built with the help of the former Soviet Union, could serve, Borodayev noted, as the main guideline in our current bilateral cooperation.

The academician pointed out, however, that Cuba's opening up to foreign capital opens new prospects in binational ties, especially in fields like electricity, electronics, the nickeliferous industry, chemicals, and sugarcane production.

Likewise, he highlighted Havana's interest in purchasing fertilizers, spare parts for the sugar industry, and other Russian products.

In addition to the traditional purchases of Cuban sugar, nickel, tobacco, and citrus fruits, Moscow is starting to take into account its important exporting potential in the sphere of marine products, medical equipment, as well as of novel medicine, he added.

As an example, Borodayev said the Antillean island has almost 200 new medical products and has significantly increased its participation in the sale of biopharmaceutical products at a world level.

The academician admitted that the Moscow-Havana ties had gone through a difficult phase, but he noted that by the end of 1992, real efforts began started to recover precious lost time.

Namibian Prime Minister Meets With Castro

FL2408203994 Havana Radio Rebelde Network in Spanish 1700 GMT 24 Aug 94

[From the "National Radio News"]

[Text] On the morning of 24 August, Army General Raul Castro, second secretary of the Central Committee of the Communist Party of Cuba, met with Namibian Prime Minister Hage Geingob who, together with his delegation, is visiting Santiago de Cuba. Following his arrival at the protocol terminal of the Antonio Maceo International Airport, Raul and Geingob conducted an official meeting within view of Santiago de Cuba's bay, and discussed issues aimed at strengthening the historic ties of friendship and brotherhood that exist between the two nations.

Following the meeting with Raul, Geingob made exclusive statements for this newscast:

[Begin Geingob recording, in English with superimposed translation into Spanish] It was a very impressive meeting, the fact that he came and spent such a long time with us, under these particular circumstances. This was very significant. He briefed me extensively on what is happening in Cuba. I believe it was a very good meeting. It has been a great honor for us. Raul is an old comrade and friend who explained the entire situation to us. He welcomed us with open arms, as is the nature of the Cuban people. They do not let panic dictate their actions. [end recording]

Later on, Geingob and his delegation visited the home of General Antonio Maceo, and the Independence Wars museum at the former Moncada Garrison. The Namibian visitors are currently touring the Siboney farm. This afternoon they will visit economic and tourism sections of the city and will travel to Varadero tomorrow morning.

Commerce Spokesman Praises Peruvian Business Mission

FL2408213194 Havana Radio Rebelde Network in Spanish 1700 GMT 24 Aug 94

[From the "National Radio News"]

[Text] Carlos Martinez Salsamendi, president of the Cuban Chamber of Commerce, has described the Peruvian business mission as very positive. (Rigoberto Benoa), director of the negotiating team of the Ministry of Foreign Investments and Economic Cooperation, agreed that there are great possibilities for trade between the two nations being created by this mission.

[Begin (Benoa) recording] I believe there has been interest on their side in getting closer to Cuba. I believe this is a proper setting for strengthening relations between Cuban enterprises and Peruvian businessmen. [end recording]

A total of 19 businessmen from the private sector are manifesting the association with Cuba in areas of transportation, communication, banking, chemical production, raw materials, crafts, and medicines, among others. Parallel to the work sessions with the Peruvian business mission, the expansion of the Peru-Cuba partial-business accord is expected to be signed tomorrow by Lilliana Canale, Peruvian minister of Industry, Tourism, Integration and International Trade Negotiations.

Visiting Peruvian Minister Comments on Expectations

FL2508024494 Havana Radio Rebelde Network in Spanish 2300 GMT 24 Aug 94

[Interview with Lilliana Canale Lobella, Peruvian minister of Industry, Tourism, Integration, and International Trade Negotiations, by reporter Jesus Gomez Jusia at Jose Marti International Airport; from the "Exclusive" program—live]

[Text] [Gomez] Good evening.

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[Canale] My expectations are essentially economic and commercial. We wish to strengthen ties between businessmen, because we believe it is the best way to generate growing, fluid trade. We are going to expand the partial agreement, which is very significant because it took many years to negotiate. We seek not only to expand it in regard to the products to be included, but rather to substantially improve the text of the clauses. I believe both nations have greatly changed their trade policies, and this new position of openness to investments and trade should be clearly reflected in the agreement in order to turn it into an extremely useful tool, to make businessmen begin to invest in joint ventures.

[Gomez] We thank Minister Lilliana Canale Lobella her words for the Exclusive program.

She was greeted by Jose Torres Murga, Peruvian ambassador to Cuba, and Ricardo Cabrisas, Cuban minister of Foreign Trade.

Professional Group Sends Letter of Support to Castro

FL2408142894 Havana Radio Rebelde Network in Spanish 2300 GMT 23 Aug 94

[From the "National Radio News"]

[Text] The Cuban National Union of Architects and Construction Engineers [UNAIC] issued on 23 August an open letter in support of the Revolution addressed to Commander in Chief Fidel Castro, and Raul Castro.

In the letter, these profesionals state that in this critical moment, when the course of Cuban history is being decided, there is no room for either quitting attitudes or annexationism, only for the struggle to achieve full sovereignty and independence.

The UNAIC groups approximately 100,000 architects and engineers throughout Cuba, and is regarded as an important force in meeting material, economic, and productive needs.

Locals Express Support for Revolution

FL2508212894 Havana Radio Reloj Network in Spanish 1933 GMT 25 Aug 94

[Text] An atmosphere of optimism and work prevails among the people of Guantanamo. This reflects their commitment to the Revolution and Fidel, not only through words, but also by their patriotic actions. Hundreds of men and women are harvesting coffee, while others are weeding sugarcane fields. The pride they have shown over the last several months has made Guantanamo Province one of the most outstanding in Cuba in this regard. In September, planted areas will be declared free of weeds.

Revolutionary vigilance is being strengthened on each block by collecting recyclables, and the members of the Committees for the Defense of the Revolution have donated almost 22,000 pints of blood. Efforts to repair damage caused by heavy rains last May are also continuing.

The people of Caimanera continue to demonstrate their support for the Revolution, and this afternoon will hold a rally to show their rejection of the American decision to place illegal Cuban and Haitian immigrants on the [Guantanamo Naval] base.

Central Committee Member Elected to Granma Assembly

FL2508023394 Havana Radio Rebelde Network in Spanish 2300 GMT 24 Aug 94

[From the "Exclusive" program]

[Text] On 24 August, Jose Antonio Leyva Garcia, member of the Central Committee of the Communist Party of Cuba, was elected to the Provincial Assembly of the People's Government in Granma during the sixth special session of its seventh legislature. Leyva Garcia is replacing Rafael Dominguez who had asked to be released from the post on 19 August.

Leyva Garcia, who is 51 years old, is a deputy to the National Assembly of the People's Government and a member of the provincial Politburo. He has had brilliant labor performance, which includes having attained the National Vanguard Worker status twice.

Holguin Provincial Assembly President Elected

FL2508014794 Havana Radio Rebelde Network in Spanish 2300 GMT 24 Aug 94

[Report by Holguin correspondent Arnaldo Vargas; from the "Exclusive" program]

[Text] Alexis Mejias Jomarron, a 41-year-old civil engineer, was just elected to the post of president of the Provincial Assembly of the People's Government in Holguin. Mejia Jomarron is a member of the Central Committee and the provincial Politburo. He is a local who rose from the labor ranks. He served primarily as a cadre leader in Moa, first as chief of the Hermanos Martinez Tamayo Construction Contingent, and later as first secretary of Moa Province. Alexis Mejia stated, upon his appointment, that his life has been full of surprises because he never contemplated occupying the posts the Communist Party of Cuba [PCC] and the Revolution have given him. He added that he will work hard, together with all members of the provincial assembly and Administrative Council, to fulfill the main goals of the province.

Jorge Luis Sierra, first secretary of the PCC in Holguin, stressed that cadres are measured not only for their commitment and efforts, but by their results, and added that with Alexis Mejias, such is the case.

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Contino Replaces Batista as CDR General Coordinator

FL2508022394 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 25 Aug 94

[From the "NTV" newscast]

[Text] On 24 August, the plenum of the Committees for the Defense of the Revolution [CDR] approved the appointment of Juan Contino for the post of general coordinator of the CDR. Politburo member Jose Ramon Machado Ventura announced the agreement by the top leadership of the Communist Party of Cuba to release Division General Sixto Batista Santana from that post. Machado Ventura described Batista's performance during the four years he headed the CDR, as positive. Machado added that Batista is unable to continue in the post due to health problems and will now fulfill other tasks within the Revolutionary Armed Forces. The members of the CDR national directorate also praised Batista's performance.

Juan Contino's nomination—he was the first secretary of the Union of Young Communists [UJC], was approved unanimously by the plenum, which acknowledged his performance as a promising and mature cadre leader.

Likewise, the UJC National Bureau elected Comrade Maria Victoria Velazquez, to the UJC first secretary post. She was the second secretary of the UJC National Bureau.

Majority of Sancti Spiritus UBPC's Meet Goals

FL2508004494 Havana Radio Rebelde Network in Spanish 1700 GMT 24 Aug 94

[Text] Of the 85 sugarcane Basic Cooperative Production Units [UBPC's] that have met their goals in Sancti Spiritus, 52 are reporting earnings of more than 2 million pesos. This figure is significant if we keep in mind that the UBPC's were established only eight months ago and have had to improve production and finance methods in that time.

There are 103 sugarcane UBPC's in Sancti Spiritus Province. Of these, only 18 were expected to yield positive results. This makes the success attained even more significant. The cooperatives' means of production belong to the members of the cooperative, who share in the profits. This logically leads to improved productivity and working conditions.

Excess Currency Reduction Noted, Validated

FL2508010294 Havana Radio Reloj Network in Spanish 1945 GMT 24 Aug 94

[Text] It is too soon to applaud the success of measures taken to eliminate the excess currency in circulation. However, preliminary results show that the outcome of the efforts might be positive. Lately, much is being said in the streets about the disappearance of the excess currency. This reality is validated by previously disclosed official analyses of this matter.

Cuba had a currency excess of approximately 12 billion pesos in June. However, as stated by Finance Minister Jose Luis Rodriguez, 245 million pesos were removed from circulation in August just from the sale of cigarettes—135 million pesos from circulation, and 119 million pesos from savings. In July, over 300 million pesos in revenues were accrued from the sale of cigarettes. The increase in cigarette prices is one of the measures implemented to mend national finances, but not the only one. There has been additional price increases in rum, liquor, fuel, and electric service, as well as an increase in the price of aqueduct and sewer service, beginning in October. In addition, several subsidies were eliminated with the implementation of fees for school lunches, museums, and sporting events.

Although there is yet much to do, we are hearing more and more frequently: The pesos are vanishing!

ANAP President on Farmers' Obligations to State

94CA0143A Havana TRABAJADORES in Spanish 11 Jul 94 p 5

[Interview with ANAP President Orlando Lugo Fonte by Julio Garcia Luis; place and date not given; first paragraph is TRABAJADORES introduction]

[Text] Several days ago, at the Assembly for Thermoelectric Efficiency in Cienfuegos, Gumersindo, one of the workers voiced his concern about the restriction of peasants' sales of their products on the free market. Concern about this controversial issue was shared by many, and there was confusion. Because of this situation, we went to Orlando Lugo Fonte, president of the National Association of Small Farmers (ANAP), in search of answers. Our conversation follows.

[Garcia] Lugo, it is reported that the individual peasants are being pressured not to offer their products on the free market, and that this is the reason for the decline in production. What is true or false about all of this?

[Lugo] Look, the first thing we must remember is the serious situation the country is experiencing, including a major shortage of foodstuffs, while the most important thing at stake is the safeguarding of our independence and our revolution.

Cuba, like every other country, is governed by laws. And the peasants are subject to the laws as well. There is, for example, Decree Law 125, which governs possession of the land and defines what can and cannot be done. Its articles eight and nine provide that every small farmer has an obligation to work the land in such a way as to serve the interests of the economic and social development of the country. These articles penalize, among other things, failure to sell to the state the products

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needed for the *acopio* [collection centers], illegal sales, and failure to produce the principal items required of the peasants.

This is nothing new. There is a stable policy that must be honored, now more than ever.

[Garcia] But how does this critical phase in the special period and the excess of currency in circulation affect the business activities of the peasants?

[Lugo] Obviously, foodstuffs are in short supply and people are going into the countryside to buy certain products at prices well above those set by the state, which are proper and just prices. These prices could never compete with those on the black market. The state price for an ear of corn is five centavos, while the price on the black market is 3.5 centavos.

There is a large group of items the peasants need but cannot obtain from us at present because we have none. But there are people who steal, who manage to obtain things in some way, and then they go into the countryside and trade a machete, a file, a pair of boots, or a pair of trousers. That is the reality of the special period.

On the other hand, it must be understood that the country has social responsibilities, and that the resources for honoring these responsibilities must come from the Cuban land—not only the land of the state, but also that of the Agricultural-Livestock Cooperatives (CPA) and the individual peasants. Thus we must produce the food items that are distributed on the basis of the booklets and the supplies that go to the hospitals, the schools, the children's circles, the homes for mothers and the elderly, and so many other places.

The peasants are a patriotic and revolutionary mass, and they cannot turn their backs on the situation the people are experiencing.

[Garcia] Are the peasants honoring their part of this commitment?

[Lugo] The reality is that in these past three years, the volume of products supplied by the peasants for the *acopio* has declined. But they too have a duty to society, and not just rights.

It happens that the plans established for them often underestimate the potential of the land. This is not their responsibility, but that of the officials who set the goals. They are failing to fulfill their roles as representatives of the state.

Thus there are cases in which the peasants, having fulfilled their plans, feel that they have a right to sell. And there are others who have not fulfilled their plans, but do the same thing. This has been occurring. In fact, there is great pressure being put on them, but it comes from the people, because there is a great deal of money and a great deal of need.

[Garcia] Do you believe that this pressure to sell on the free market, then, is the factor that has reduced the volume of products supplied by the peasants to the *acopio*?

[Lugo] No. The matter is much more complex. I sincerely believe that the decline in products obtained from the peasant sector for the *acopio* does not have to do exclusively with the sales being made on the free market. This is because the volumes produced by the state and the CPA's have also declined.

If we undertake a broader analysis, we see that there is a shortage of resources—fuels, water for irrigation, fertilizers, and insecticides. Agriculture has suffered from adverse weather phenomena during the last five years. Now, in addition to these factors, the family and social commitments of the peasants and their own self-consumption have also increased.

Many peasants have children and other family members in the cities to whom they are now providing products. The peasant himself needs more. In the past, he bought many items on the parallel market, as did the rest of the people. Now he cannot go in search of anything. That is the situation with fats. In the Province of Havana, the raising of hogs was prohibited for 21 years. Now, in this province alone, the individual peasants own at least 200,000 hogs, and they are consuming what would feed at least a half a million persons.

[Garcia] Does the theft of farm products have some effect on this?

[Lugo] Theft is a very serious problem. There are peasants who are no longer planting certain crops. Yucca, for example, which provides its maximum yield at 10 months, is being harvested by some people at six months, either because it is being stolen from them or because they have to pay to have it cared for, and it is no longer profitable. All of this is happening despite the fact that we have 140,000 organized men with 10,000 firearms. There can be no doubt that theft is substantially affecting peasant production.

[Garcia] Has any land been confiscated because of the violation of the agrarian laws?

[Lugo] Yes, there have been some cases, although they are absolutely exceptional within the mass of the peasantry, and usually these are just actions. When there is some indication of a possible injustice, we, as members of the Agrarian Commission, which is overseen by the Ministry of Agriculture, discuss the matter. There is a group of peasants against whom Decree Law 125 was applied, and there are 35 other cases in which charges of unlawful enrichment may be filed on the basis of Decree Law 149.

[Garcia] And what is the ANAP doing about this situation, apart from dealing with possible injustices?

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[Lugo] We have nothing against a peasant's giving some products to individuals from whom he needs some service, as is traditional. Nor do we allow the imposition of penalties on peasants when objective causes such as drought, excessive rainfall, theft, or lack of resources have prevented them from fulfilling their plans. What we in the ANAP, as the political organization of the peasants and one sector of the people, cannot permit is the action of a peasant who has produced goods but fails to fulfill his plan, selling them on the free market instead.

We watch for this constantly, and, for example, when proof is brought to us that a peasant has produced 500 quintals of rice and has only delivered 17 to the *acopio*—we cannot tolerate this at all.

We know that some people have had an "escape hatch" with the peasants. But it is really too much when, because of the excessive volume of currency in circulation, someone comes along and, for the same sack of beans for which we pay 60 pesos, gives the peasant 2,000, along with a hug and thanks on top of that. We must all ask ourselves if we can get anywhere by following this path. And where will we find the products the individual who does not have that kind of money needs? And what will become of the hospitals, the schools, the circles, the old people's homes, the workers?

Thus if it is fair for the peasant to produce for himself and to contribute to his family, we must see that it is also fair for the peasant to fulfill his obligation to the people and to society.

[Garcia] Another question. To what extent are the much debated mechanisms of the *acopio* affecting the peasants' sales to the state? Is there some room for market activity?

[Lugo] The mechanisms that were created for the *acopio* are obsolete today. It is not that I am opposed to the *acopio*. I believe that some system must exist. If there had been none, it would be necessary, politically, to decide to abandon the booklets. Can we do this? I think not. But the norms the *acopio* system uses for making purchases from the peasants are not in tune with the real situation as we are living it. One cannot expect the same quality from a banana that has had all of the water and potassium it needs as from the kind we have now, which have not had these things. However, according to the system in effect, when a product fails to meet the quality requirements, the purchase price is reduced by 50 percent. There are times when it makes better business sense for a peasant to give his products to the hogs than to sell them at these prices.

On the other hand, I believe that the booklets must be viewed from another point of view. These booklets have meant salvation and justice for our people. We have basic products such as rice, beans, coffee, sugar, salt, milk, eggs, fat, meats, potatoes, and bananas that we cannot eliminate from the booklets. But why do the booklets need to cover leeks, watercress, or lettuce?

It must also be remembered that it is not only the individual peasants who own their own products, but the CPA's and now the UBPC's [Basic Production Units], as well. We must think about the practical, direct way in which the market can come in here to play its role in distribution, regulation, and above all, encouraging producers to produce more and to be more efficient in their use of the land. These are complex problems we must begin to think about even under these very difficult circumstances.

[Garcia] What other solutions do you see, given these conditions?

[Lugo] The implementation of these measures and the discussion process the ANAP is pursuing in what we have called the peasant Assemblies of Honor and Integrity, at which these problems are intensively discussed, have without a doubt had the effect of reducing sales on the free market by the peasants. There is nothing here that should concern us. The main thing is how to increase production and deliveries to the *acopio*, which is what will save the country.

The reaction of the peasants is positive. And we, for our part, have not sat by idly. We are sponsoring the movement to achieve 1,000 quintals, for all of those who can reach that level. We are helping the peasants with the limited resources we have coming in, and we now have 4,800 of them in this system. The idea, which we have coordinated with Agriculture, is based on the principle of putting the resources where they can produce the greatest yield, whether it be with a UBPC, a CPA, or an individual peasant.

[Garcia] Can you tell us something about the progress with the plan to turn over plots of fallow land for the raising of tobacco?

[Lugo] It is going very well. Already, more than 2,500 additional peasants have been allocated land for growing tobacco. I have just come from Pinar del Rio, where we analyzed the situation. The farmers bringing in this harvest obtained 70 quintals more per *caballeria* than the peasants usually obtain. In addition to growing tobacco, they are also solving the food problem by raising interharvest crops. They themselves are finding the oxen, the resources, and the banks are giving them credit. Approval has just been granted for extending the experiment to the coffee and cacao sectors, and we already have hundreds of applications. This is an achievement that tells us how important it is to change the way people think. The "fallow land" concept must change. There are some areas lost to weeds, but because they belong to an enterprise, there is an objection to having them classified as uncultivated land. Why are these enterprises not seeking alternatives for making them productive?

FAR Accomplishments Summarized

94CA0143B Havana JUVENTUD REBELDE in Spanish 10 Jul 94 p 3

[Article by Marcos Alfonso]

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[Text] Marti said: "A just principle, coming from deep within, has more force than an army." What, then, would be the limit for an army with just principles coming from deep within!

Five days of travel through only two of the five provinces covered by the Central Army revealed that in this region of the country, the concepts and ideas of the "apostle" are in full and vigorous effect.

If there is some symbol of the work being done by the men and women who serve in the Revolutionary Armed Forces (FAR) in this territory, it is the eternal exile to which they have doomed the phrase "it cannot be done," which has been rooted out of this army.

It is not a question of triumphalist rhetoric, but of the tangible deeds (without overlooking the imperfections) observed on each inch of the territory on which the Central Army operates, from the large and zealously protected units ready for combat at any given moment to the agricultural and aquacultural development programs designed to ensure the troops' food supply.

Major General Joaquin Quintas Sola and Brigadier General Rene Garcia, the commander and deputy commander of the Central Army, respectively, being excellent hosts, gave representatives of the national press a tour of the field of operations. They showed them how the working philosophy of the FAR makes visible the links connecting the troops' high level of combat readiness, the protection and preservation of technical equipment and weaponry, the solution of food problems, and the economic management required to reduce expenditures and increase income. Put in another way, the goal is to ensure a steady reduction toward the indispensable minimum in the expenditures the state authorizes annually for defense, and to initiate a gradual but effective contribution to society.

This objective, as a revolutionary concept in the management of all the command cadres, commissioned and noncommissioned officers, soldiers, and civilian workers for the FAR, has its basis in virtues that go beyond the regulations. They include determination, exigency, honesty, honor—and modesty, another "secret weapon" possessed by those on whose shoulders the sacred defense of the fatherland rests.

Only thus can it be explained how a brigade of 14 men was able to dig many kilometers of tunnels in the entrails of the earth to provide shelter for a large tank unit. Or how the drivers of a transportation battalion that includes representatives of three generations could travel more than 400,000 kilometers in one year—the equivalent of circling the planet around the equator 10 times—in vehicles that have been in use for two decades or more, and that they intend to keep in use until the next century. Or why the members of a repair regiment refused an allocation of food products for the personnel—pork, beans, and other vegetables, rice, eggs, fats, spices, and condiments—because they can produce them themselves in their self-supply area. And, thanks to their economic management, they have also reduced the cost per peso to 0.70 centavos and saved 100,000 pesos out of the allocated budget. This is the end product of the innumerable inventions and innovations that have enabled them to keep the combat technology in full readiness and to find solutions where this seemed impossible.

As of the month of May, the Central Army had harvested 16 percent more root and other vegetables than it did in 1993. The report on aquaculture cites a catch representing 171 percent of the figure for the comparable period the preceding year. Five million pesos less than last year have been spent, and an income of 2.6 million is reported for various categories, including the production of items for which there is great popular demand.

These figures were confirmed by Brigadier General Carlos Carballo, the commander of the Villa Clara Provincial General Staff, during a visit paid by the editors of national press organs and journalists to the territory covered by the Central Army (Matanzas, Villa Clara, Cienfuegos, Sancti Spiritus, and Ciego de Avila) to the Monterola zone, in Santa Clara. There, what was previously a vast brushland in the hills is today a major food-producing region.

The FAR now has 9,000 head of cattle and 16,000 poultry birds in Villa Clara, and the production goal for this year is 432.8 tons of meat, 239,000 liters of milk, and more than a million eggs. If to this we add the root and other vegetables, plus the catch from the water resources, the total goal is about 14,000 tons of foodstuffs, at a cost of 0.94 centavos per peso.

Further confirmation is provided by the very useful project carried out by Military Unit 2499, which made possible the underground storage, in perfect condition, of tanks, artillery pieces, armored vehicles, rockets, and ammunition ready to go into combat at any given moment. Then there was the *sui generis* parade organized in Military Unit 1410, in which the marchers were not soldiers with guns, but producers carrying what they had raised and harvested. There is also the study center headed by Colonel Ciro Gomez Betancourt (about whose feats in the battle of Cuito Cuanavale much could be written), where apart from ensuring the complete food supply for the combatants engaged in training, the personnel has the capacity to attack an enemy target with tanks and armored units, saving on projectiles and almost 10,000 liters of fuel. Also located there is an agricultural district that will be capable, among other things, of providing 50 percent of the rice the Army consumes.

Or consider the young Dr. Jose Castellanos Arias, the director of a hospital that is serving almost 4,000 patients, including a military community, and is successfully applying acupuncture and alternative medicine programs. Or again, the FAR Agricultural Center (AGROFAR), where they are developing and producing

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the high-quality seeds used in the self-supply programs of the Armed Forces, providing technical assistance to the integral military farms, and forcefully implementing major scientific programs.

The master class provided by the tour of a little more than five days through various Central Army units and programs is merely the prologue to a whole series of lessons being taught, both underground and above it, by the men and women who make up that army. They know down to the last detail what their roles are, what they must do at each moment, what the price will be, and what contribution is being made by their actions. This applies to everyone from the generals down to the humblest soldier, and its import extends beyond the boundaries of the strictly military context.

It is for this reason that in Caibarien, they are not satisfied with having been declared "ready for defense" in the second stage. Taking to heart the fact that the Army is not just the people in uniform, but also the people without uniforms, they are incorporating everyone into the effort and consolidating each millimeter gained. Evidence of this is seen in the food the population is now receiving, the health levels, the organic and hydroponic garden of Justo Hernandez, the captain promoted in the field by Raul. Hernandez plans to extend this garden as far as the highway by December, in order to keep the "promise I made to the minister."

Equally eloquent are the dozens of caves dug in Matanzas so that the city can be declared protected this year; the tunnels dug throughout the length and breadth of the 37,800 square kilometers of territory covered by this army for the protection of the more than 2.6 million inhabitants in that territory; the training of men and the preparation of weapons to face the war of all the people; and the battles being waged in all sectors of the economy. The visible achievements range from the longest stretch of riprap in Cuba (and, according to its builders, in the world) that the Campana de las Villas contingent plans to complete this year to the watchful vigilance of the oil workers in Matanzas.

This is the epilogue to a fleeting visit to the Central Army—the lesson taught by encounters with Cubans patriotic beyond their rank or duty, confident, modest, and free of prejudice—individuals who, without claiming to be perfect, are placing their bets on the conversion of their organization in the future into a self-financed army. This is not an unachievable goal, simply because it is difficult. Is this utopian? For the time being, the answer can be seen in the theater of operations, where between one victory and the next, the historic epic of the fatherland has been recorded.

Education Ministry Issues Note on New School Year

FL2408213394 Havana Radio Rebelde Network in Spanish 1700 GMT 24 Aug 94

[Text] The Education Ministry has issued a note summoning all students and their relatives to the new school year, which begins on 1 September and will comprise over 2.2 million students. The note adds that in this new school year, the commitment and determination of Cuban teachers is essential in overcoming difficulties and shortages through talent and intelligent objectives.

Right now, education personnel are working hard to prepare school materials, and to ready and clean the schools. The note goes on to say that students and teachers must be present on the first day of school because this is the first step toward fulfilling the projected goal of conducting a school year worthy of these times, and turning schools into impregnable bastions of the Revolution.

Haiti

CEP Encourages Jonassaint To Issue Election Decree

FL2508211494 Port-au-Prince Radio Metropole in French 1045 GMT 25 Aug 94

[Text] The electoral process appears to have broken down while awaiting publication of a presidential decree on the holding of elections. In that respect, the president of the Electoral Council calls on the executive to make haste and move the electoral process ahead. Saimphar Baltazar Line denies that he leads an exceptional electoral institution. Rothschild Francois, Jr. filed a report:

[Begin recording] [Francois] The president of the Electoral Council [CEP] is urging the Jonassaint government to issue the decree regarding the holding of elections as soon as possible. Baltazar Saimphar Line asserts that it is more than time for the government to launch the electoral operations. The CEP president advises that the council has already established the technical devices necessary for the ballot.

Mr. Line attempts to explain that there are some sectors that mean to block the electoral process. The president of the Electoral Council refrained from identifying those political sectors in question. For Batalzar Saimphar Line, the ball is now in the executive's court.

[Line, in Creole] To hold elections, two sides must be played. The Council has played its part. The executive must play its part as well, and up until now, it has not done so. I do not know what is in the mind of some people. We are sending out a cry of alarm. If elections are not held, there will be no parliament, no Chamber of Deputies, no Senate, no Constitution. The people who do not wish the elections to be held have almost succeeded in their objective. The executive must issue the decree allowing the holding of elections in the country and must finance the elections. Because we took the necessary measures, we prepared a budget, but the country becomes more difficult everyday: Public transport is scarce, gasoline is rising, the longer we wait, the more expensive the elections will become. We are at our

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limit. By next week—we will not be in next week—we are not accountable for anything anymore.

[Francois] Do you think there is a desire to delay the electoral process?

[Line] I did not say the executive. I say that the executive has a part to play. It is time for it to play its part. If it does not, everyone will lose.

[Francois] Can the country hold elections right now? Are there the means to hold elections now in Haiti?

[Line] Once there is a will to hold elections, elections will be held, because other countries have held elections under difficult conditions. They have held elections during civil wars. I do not believe that even if the situation is difficult we can be prevented from holding elections. We are being forced to hold elections in a difficult situation, but we must deal with that. First, the will to hold elections must be there. That is what is necessary to save the country's institutions, to save the 1987 Constitution.

[Francois] The advisor for judicial matters criticizes the statements made by some legislators regarding the legitimacy of the Electoral Council. Attorney Alexandre Paul asserts that the Electoral Council is permanent and legal. [passage omitted]

It should be noted that the legitimacy of the Electoral Council is being challenged both by members of the Haitian political sector and by the international community. On the other hand, some political families continue to advocate the holding of new elections in Haiti to resolve the crisis.

Parliamentarians Seek Legitimization of CEP, Jonassaint

FL2503211694 Port-au-Prince Signal FM Radio in French 1030 GMT 25 Aug 94

[Excerpts] A National Assembly session is scheduled for today. We have learned from a reliable source that the unofficial office of the Senate of the Republic will try to convince the parliamentarians to ratify three of the members of the Permanent Electoral Council [CEP]. The same source explained that the parliamentarians will also be able to choose three other representatives. Cards are laid out on the table. The socialists have already announced that they will not attend the session. The following is a report by Daly Valet:

[Begin Valet recording, in Creole] The parliamentarians who worked for installation of the 11 May government do not sit idle. Everyday a new idea germinates in their minds. These ideas germinate with the purpose of establishing and polishing the image of the 11 May government, which is not quite in keeping with the Constitution, according to confessions by those parliamentarians. The plan of the pro-Jonassaint parliamentarians is to hold a National Assembly session on Thursday, 25 August, aimed on the one hand at confirming or replacing the three members the parliament had sent to the Exceptional Electoral Council under conditions everybody knew, and on the other hand, at the legitimization of the Jonassaint government by the Chamber of Deputies because it is only the unofficial Senate that ratified Emile Jonassaint. The logic of the government is very clear: Once the deputies agree to discuss the principle of sending members to the Electoral Council, they automatically accept the principle of elections planned by the government, and they acknowledge ipso facto the Jonassaint government, which should introduce the electoral law to the parliament. In the opinion of many parliamentarians, this is a trap. The president of the socialist bloc, Deputy Duly Brutus, says the socialists will not move toward any logic aimed at legitimizing the Jonassaint government. The reason put forward by the deputy is that the 11 May government has caused the crisis to worsen. [passage omitted]

Although the socialists defined their position to the Jonassaint government, many parliamentary sectors reproach the socialists for having an unsteady policy [politik woule'm de bo], thus, an ambiguous policy, because the socialists are asking the 18 January parliamentarians to respect the New York Pact while they participate in sessions with those very 18 January parliamentarians. Duly Brutus defends the socialists by saying that it is because of the National Front for Change and Democracy that they have agreed to sit in session with 18 January parliamentarians. The second reason put forward by Brutus is that they wanted to make the Chamber of Deputies operational, and avoid finding itself in the same bad situation that prevails in many other institutions in the country. Regarding the country's political crisis, the president of the socialist bloc advocates a solution of compromise and encourages dialogue among all sectors in the country so they can find points on which they agree. The second in command of the Nationalistic Progressive Revolutionary Party of Haiti—Brutus—cites among the points shared by many sectors the principle of a government of concord and the principle of the Haitian Army's return to its barracks. [passage omitted]

The president of the socialist bloc confirms that the socialist parliamentarians will not participate in any elections with the Jonassaint government. It is only after the political crisis is resolved that elections should be held, under proper conditions in the country, says Duly Brutus. But this is not the position of the 11 May government. The position of the government is that no matter what happens, the elections will be held in November. Will they be general elections or legislative elections only? This question is waiting for an answer. Daly Valet for Signal FM. [end recording]

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Jonassaint Government Meets Public Officials on Economy

FL2508195894 Port-au-Prince Radio Metropole in French 1045 GMT 25 Aug 94

[Text] The Jonassaint government held a special meeting on 24 August. The weekly Council of Ministers meeting of the provisional government was open on 24 August to other officials in charge of public administration and state services. Members of the Army High Command and some economic officials of the Bank of the Republic of Haiti, BRH, reportedly took part in the special Council of Ministers meeting held at the National Palace.

During this meeting, which lasted several hours, the authorities looked into the high cost of living, the spectacular fall of the gourde in comparison with the U.S. dollar, and the breathtaking rise in the prices of essential products. It is said that government authorities will be announcing a series of communiques publicizing government measures.

It should be noted that some organizations close to the 11 May government demanded that the Jonassaint government take urgent measures to straighten out the situation.

De Facto Government Replaces Finance, Trade Ministers

PA2608042794 Mexico City NOTIMEX in Spanish 0333 GMT 26 Aug 94

[Text] Port-au-Prince, 25 Aug (NOTIMEX)—The de facto Haitian Government announced today the removal of Finance Minister Riguad Duplan and Trade Minister Jean Roberto Delsoin.

A communique signed by de facto President Emile Jonassaint and disclosed tonight by state media indicated that Duplan was replaced by Georges H. Fils and Delsoin by Roger Lange.

This is the second change in the de facto government installed on 13 May.

The planning and interior ministers were removed on 18 July days after the interior minister had declared that "the military has engaged us in a lost cause."

Diplomats accredited in Haiti believe that Duplan's and Delsoin's removal could demonstrate a lack of willingness on the part of the military coupists to meet commitments made to the ministers.

According to sources, Army Chief General Raoul Cedras and Police Chief Michel Francois had promised Jonassaint's supporters they would resign shortly after the installation of the de facto government.

Gas Oil Tanker Seized on Dominican Border

FL2508195594 Port-au-Prince Signal FM Radio in French 1030 GMT 25 Aug 94

[Text] According to a Haitian press agency correspondent, a tanker containing 9,000 gallons of gas oil was seized on its way to Haiti by Dominican border authorities in the Pedernales region on 21 August. The tanker, which came from Santo Domingo, is still in the military camp of Pedernales. The Dominican military authorities explained that the vehicle, which belongs to the Shell Oil Company, was not authorized to carry fuel to Haiti.

De Facto Government Returns Fuel to Aid Groups

PA2608001094 Mexico City NOTIMEX in Spanish 2302 GMT 25 Aug 94

[Excerpts] Port-au-Prince, 25 Aug (NOTIMEX)—The de facto military government agreed today to return the barrels of fuel it confiscated from Haitian humanitarian groups one month ago. In another move, it prohibited reporters from chartering planes to enter or leave the country.

The fuel, 10,000 barrels of diesel and gasoline, arrived in Port-au-Prince on 21 July as part of a UN program to mobilize hospital vehicles and to deliver 300 shipments of food.

Port-au-Prince Radio Metropole reported that the military government had agreed to return the fuel this Thursday but decided to ban the flights because Haitians are not allowed to travel abroad. However, no official announcement has been issued to this effect.

On Wednesday the de facto government refused to allow a charter plane carrying European journalists to land in Port-au-Prince. [passage omitted]

Armed Individuals Break Into Senator's Home

FL2508195794 Port-au-Prince Signal FM Radio in French 1030 GMT 25 Aug 94

[Text] The life of Senator Serge Joseph is in danger. Unidentified armed individuals attempted on 24 August to break into the home of the parliamentarian, who was absent. Joseph says this is a provocation.

[Begin Joseph recording, in Creole] This time, my dear, the men came obviously, in broad daylight. I believe enough is enough. That is why I am taking this opportunity to inform the chief of police in charge of the safety of lives and property, as well as General Cedras and all other honest and staunch members of the Army—which I am always defending—that [words indistinct]. I am not defending the men in the institution, but I am duty-bound to defend the institution. So, no matter who comes to threaten me here in my home, if something happens to him, it will be his problem because I do not harm anybody. I take this opportunity to advise national and international public opinion of this. [end recording]

Correction to Radio Ordered Not To Relay VOA

FL2308023794

The following correction pertains to the item headlined "Radio Citadelle Ordered Not To Relay VOA," carried in the 22 August Latin America DAILY REPORT, page 29:

Column two, last paragraph of item, last sentence, reads ... in Port-au-Prince, Radio Lakansyel, the only radio ... (changing "Arc-en-Ciel" to "Lakansyel")

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Government To Accept Cubans With Relatives in Mexico

PA2508214894 Mexico City NOTIMEX in Spanish 2103 GMT 25 Aug 94

[Text] Mexico City, 25 Aug (NOTIMEX)—The Mexican Government decided to accept some Cubans who want to leave their country and who have relatives in Mexico, the Foreign Relations Secretariat reported today.

"The Mexican Government has decided to accept some Cuban citizens who wish to leave their country to join relatives residing in Mexico," the Foreign Relations Secretariat said in a communique.

The Foreign Relations Secretariat explained that the decision was made while taking into consideration the consent of the island's government for Cubans with "established requirements" to have residence in other nations.

"The necessary measures have been taken to document—through the Mexican Embassy in Havana—those who can demonstrate they have relatives in Mexico" to help guarantee that "as few Cubans as possible risk their lives in irregular departures by sea," it added.

At the end of July, illegal departures of Cubans toward the United States increased amid the economic crisis affecting the island. Washington decided last week to transfer these immigrants to its Naval Base in Guantanamo, Cuba.

Mexico reiterated its offer to Cuba and the United States to help—as far as it is able—to establish a dialogue that would reduce tensions and return the situation to normal in Cuban-U.S. relations.

Businessmen Denounce 'Slanderous' Remarks on Election

PA2508014494 Mexico City LA JORNADA in Spanish 23 Aug 94 p 13

[Report by Raul Llanos Samaniego]

[Text] While Luis German Carcoba, president of the Business Coordinating Council (CCE), denounced any conflict that might affect Mexico's stability and development, Victor Terrones Lopez, president of the National Association of the Processing Industry (CANACINTRA), said that "Mexicans will not allow, under any circumstances, ominous voices to stain and slander the result of the elections." He called on parties to act with maturity and responsibility and asked them to unite behind an integral project for the country.

Carcoba Garcia, leader of the organization that includes bankers, industrialists, and businessmen throughout the country, said the vote was conducted in a framework of transparency and legality, adding the actions of groups dissatisfied with the results are not justified.

Terrones Lopez remarked: "Our vote was not conditioned by fear or violence; it was a vote prompted by rancor. It has been a well thought out and convincing vote for the viability of a government project that benefits all of society, not just people or images still living in the past."

Both businessmen explained the most impressive result of the election was the broad participation of citizens, which translates into important advances for democracy.

The CANACINTRA leader said that today the will of the majority at the polls has been respected, adding that this decision is supported by the participation of domestic observers, foreign visitors, and several changes in electoral matters.

Regarding statements on possible fraud, he responded: "When one plays, one must know how to lose because the reforms were reviewed and approved by all. We must be responsible, support the winners, and not try to divide Mexicans. This is the time to join the project for a more prosperous Mexico and to resolve differences through respect and dialogue."

Concerning the possible formation of a pluralist cabinet in the next six years, Terrones Lopez commented that this is one of the demands of the people. The call was made so that all can incorporate their ideas and efforts to make this a model country.

The industrial organization issued a communique insisting that this Sunday's election is a clear demonstration of the political maturity reached by a young and enthusiastic Mexico, which seeks to consolidate democracy and strengthen the channels to settle differences through respect for political pluralism and our institutions.

Fernando Cortina, president of the Confederation of Industrial Chambers (CONCAMIN), said that with the electoral process the "uncertainty and fear about the political future of the country have been left behind, because the elections have transpired in an exemplary, orderly, and transparent manner, with a high level of participation that has strengthened Mexico's democracy. "Mexicans must congratulate ourselves and must continue the economic reactivation process, working for a more just development, one that is sustainable in environmental terms and competitive in global terms," he continued.

Mexico City's National Chamber of Commerce (CANACO) said that with the behavior displayed by society at the polls, "we sent a clear and convincing signal that resounds throughout the country." In this effort, organized businesses of the capital have fulfilled their part through the full supply of products and the price stability, CANACO concluded.

Further Reportage on Mexican Elections

WA260814894

For further reportage on the results of the 21 August Mexican elections, including reaction by opposition leaders, please see the 21 August Latin America DAILY REPORT SUPPLEMENT entitled "Further Reportage on 21 August Elections."

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Costa Rica

Bomb Threat Forces Iberia Flight To Return

PA2508234094 Panama City ACAN in Spanish 2127 GMT 25 Aug 94

[Text] San Jose, 25 Aug (ACAN-EFE)—A false alarm forced a flight of the Spanish Iberia airline to return to San Jose airport in Costa Rica after it had already taken off for Miami, official Costa Rican sources have reported.

Police evacuated the aircraft, inspected the airplane with dogs and special equipment, and ascertained that there was no bomb aboard. The flight was then allowed to resume.

Iberia flight 6170 took off normally from Juan Santamaria Airport, the nation's main air terminal, at 1600 GMT with 80 passengers aboard,.

Airline ground personnel received a telephone warning about the alleged bomb about 45 minutes later, Gerardo Araya told ACAN-EFE. Araya is responsible for information at the air terminal.

The threat, said the official, was communicated to the control tower, which immediately ordered the aircraft to return and put the air terminal on red alert.

Once landed, the aircraft was evacuated and transferred to an auxiliary landing strip, where Costa Rican Intelligence and Security Directorate personnel, using dogs trained to detect explosives, thoroughly inspected the aircraft, Araya explained.

The police inspection lasted approximately 40 minutes. When it was verified that the threat had been a false alarm, the aircraft was authorized to resume its flight. Two hours after its initial takeoff, the plane departed for Miami, where the airline's connecting flights are made to Madrid.

Members of Iberia's ground personnel who received the news of the false alarm told ACAN-EFE they were not authorized to comment on the incident.

Guatemala

De Leon Summons Envoy to Panama on Serrano Issue

PA2608002794 Guatemala City Teleonce Television in Spanish 1900 GMT 25 Aug 94

[Remarks by President Ramiro De Leon Carpio to unidentified reporters; place and date not given; from the "Telepress" newscast—recorded]

[Excerpt] The media has already reported the Panamanian Government's decision to deny Serrano Elias's extradition. I want to tell you that I have instructed the Foreign Ministry to summon our ambassador in Panama to return to the country for 24 hours to report on this issue directly and personally. Ambassador Enrique Bethancour has already received the order. The president of the Republic has decided that he should return for 24 hours to report on a number of details at the Foreign Ministry.

This does not in any way mean we are breaking diplomatic relations. We are simply calling our diplomatic representative for a temporary consultation. The objective is to obtain all the information directly so we can continue to prepare the necessary legal motions in accordance with international law. The government thus plans to continue with this action as it reflects the feeling of the Guatemalan people.

In this respect, we will continue the necessary legal actions based on our laws, Panamanian law, and, especially, international law. Some time ago we hired a Panamanian law firm to have the services of criminal and international lawyers. They will advise us and handle the case in Panama. We will continue with all the pertinent procedures through our Foreign Ministry.

I want to take this opportunity to [two-second break in transmission] signed an agreement assigning the plot of land—the extension is specified in the agreement—and the building on it to the Labor and Social Security Ministry. This is the very expensive house built by former President Serrano Elias in Rio Dulce. I signed the agreement transferring it to the Labor and Social Security Ministry so it can be used as a vacation center for government employees.

I pondered on this issue for some time because I had to decide what to do with this very expensive house built with the people's money. I had to think about what to do with it because of the type of construction used and its location: It is in Las Camelias town, Rio Dulce, [word indistinct] municipality, Izabal Department. After much thought, I decided on the best use for it. First, I want to assert that the current president does not know the place. I have never wanted to set foot in the place, much less use it to take a vacation. I have not even had time to take a vacation close by, much less to go all the way over there. My decision is to benefit government workers because it is built in that area and because we could give it no other use. We thought of using it for health purposes, but the conditions in the area, the construction itself, did not allow for this. Thus I have assigned it to the Labor Ministry. It continues to be government property, but as of today it will be a recreation and vacation center for government employees. [passage omitted]

Honduras

U.S. Request Awaited Before Deciding on Cubans

PA2508173294 San Pedro Sula TIEMPO in Spanish 25 Aug 94 p 7

[Article by Roger Argueta]

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[Text] Tegucigalpa—Honduran Foreign Minister Ernesto Paz Aguilar said yesterday that the arrival of the Cuban refugees is mere speculation, because President Carlos Roberto Reina has not received an official request in this regard.

"Honduras stated recently that it is willing to receive Haitian refugees under the conditions, time period, and terms established by the government. The Haitian crisis has reached a deadlock, and the Cuban crisis has worsened. We are going to wait for a formal request by the U.S. Government," the foreign minister said.

He said Honduras cannot give an opinion because it has not received a formal request, but if a request is made, we would have to study it before we can answer the U.S. Government.

He said the information was contained in a White House communique, but Honduras has not received anything. The foreign minister refused to give a specific answer as to whether the landing of Cuban refugees in Honduran territory would be accepted or not.

The Bill Clinton administration decided last week to suspend the automatic granting of political asylum to the Cubans, therefore the entrance of more refugees into the United States will not be permitted.

Meanwhile, Immigration Director Angelina Ulloa Duarte said the country is not in a condition to have a static refugee population even if the Honduran Government does not have to cover the expenses.

Government sources reported last Tuesday the arrival of four Cubans who left their country on a raft.

In the last few days, the United States has been invaded by masses of Cuban immigrants since President Fidel Castro permitted the departure of all those wishing to leave. That is why they will ask the Central American and Caribbean countries to accept the immigrants.

Nicaragua

Leal Reaffirms Country Not To Accept Cuban Refugees

PA2508195694 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 25 Aug 94

[Report by Erica Ramirez from the "National Newscast]

[Text] As it happened with the Haitians, Nicaragua has turned down in advance any request involving Cuban refugees in the country, although it has the commitment and will to help other countries.

[Begin Foreign Minister Ernesto Leal recording] Under these circumstances, we will abstain from accepting Cuban refugees because of our country's economic situation. We have clearly stated we cannot have foreigners living in an area under better conditions that our Nicaraguan countrymen. [end recording]

In fact, in the past years, Nicaragua has received thousands of Nicaraguans who were refugees in other countries. According to Leal, Cuba should begin a process of transition, because the current situation has even claimed lives.

[Begin Leal recording] It should enter into a democratic transition phase that will allow the entire hemisphere to discuss the same policies and the same situation, modernization of the state, and so forth. [end recording]

The official stated the OAS may mediate in this situation if the two countries requested it. Concurring with Nicaragua's stance, El Salvador, Costa Rica, and Guatemala announced they cannot accept Cubans. Meanwhile, Honduras is willing accept a selective group of refugees. Panama will too, but, only if the United States keeps them on the U.S. military bases along the Canal.

Ramirez on Conflict With FSLN

94CA0150A Santiago LA NACION in Spanish 25 Jul 94 p 15

[Interview with FSLN leader Sergio Ramirez by Cesar Morales Ossandon in Santiago; date not given; first four paragraphs are LA NACION introduction]

[Text] Although Sergio Ramirez was Daniel Ortega's vice president during the Sandinist government, he has become his major internal opponent. Ramirez, who is also a writer, has been one of Nicaragua's most important political leaders in the past decade.

In the extraordinary congress of the FSLN [Sandinist National Liberation Front] last May, both he and his political line, described as moderate, were the big losers after the delegates confirmed Ortega as party leader.

The defeat went so far that, despite being the head of the Sandinist bench in Parliament, he was expelled from the Front's leadership.

Yesterday he returned home after visiting Chile, where he took part in preparatory sessions for the Social Summit, which former President Patricio Aylwin has proposed to all the world's nations for 1996.

[Morales Ossandon] Why did you say that Daniel Ortega's reelection as leader of the Front was antidemocratic?

[Ramirez] The party apparatus was never designed to renew itself internally. And in the recent congress there was no willingness on the part of those who dominated this apparatus to seek an understanding that could help save the party from obsolescence. It is in this sense that I believe there were no truly democratic decisions, but rather that people just voted as they were told.

[Morales Ossandon] Was there a confrontation?

[Ramirez] Yes, because in Sandinism we have very divergent views on the future of the party that made the

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revolution, but which needs to take a new political position to face the future and to regain power through elections.

Divergent Views

[Morales Ossandon] What are your major differences with the FSLN leadership?

[Ramirez] The traditional vision maintains that we need to repeat the mechanisms that brought Sandinism to power in the 1980's; the methods and ideas should remain the same. I believe we must evolve toward new forms of political organization, new ways of politically motivating the population. We have to face a fact that I think is paramount: and that is, first and foremost, that we lost the election, and so we do not have the majority of the people with us.

We came to power in 1979 through arms, but with an enormous national consensus behind us. That consensus deteriorated and then was lost. We must recover it in a very complex manner, by winning enough votes in an election. But the old Sandinism still relies on the concept of a vanguard, which I think is totally out of date.

[Morales Ossandon] Is your position similar to the position of former Comandante Joaquin Villalobos of the Salvadoran FMLN [Farabundo Marti National Liberation Front]?

[Ramirez] I think so. He is fighting a similar battle in the FMLN. Trying to convince his former comrades in arms. Obviously he comes from the guerrilla movement, he was a military leader, which I never was. But I do feel, as Villalobos believes, that what we have to emphasize are the political, not ideological, aspects.

Democracy Withering Up

[Morales Ossandon] And like Joaquin Villalobos, you also feel close to social democracy?

[Ramirez] Yes, I would say so. I do not like labels, and I tend to ignore them. Still, I do believe in a transformation of society oriented toward more equity, more justice, more distribution of wealth, within a democratic context. In that sense, if we add the world social to the word democratic, I have no problem with that.

I believe that in Nicaragua we still need to carry out a social transformation program, although it must necessarily be done within democratic parameters without labels. It seems to me that one of the great tragedies of the left was that it labelled democracy—either as proleterian or bourgeois—and that was a big mistake.

[Morales Ossandon] Who are your allies inside the FSLN?

[Ramirez] Well, of the old national leadership, Luis Carrion and Victor Tirado.

[Morales Ossandon] What is your opinion of the Ortega brothers?

[Ramirez] I think there are very important differences between the two of them in their concept of politics. General Humberto Ortega is going down into history as a man who built the army. First he led the uprising against Somoza militarily. And later he created the Army and converted it into an instrument for peace that has contributed a great deal to our national stability.

Daniel Ortega was a leader of great international renown because he led the people's struggle against foreign interference for several decades. That is sufficient, it seems to me, to secure his place in Nicaragua's history.

I do believe that in this decade Daniel cannot lead a winning option. I say in this decade, I do not know about later.

[Morales Ossandon] Was there a lot of criticism of his participation in what was called the Sandinist "pinata" (appropriation of public property at the end of his term in office)?

[Ramirez] Daniel was not responsible for the Sandinist "pinata." That was the responsibility of the Sandinist Front. All the abuses that took place cannot be blamed on one person.

[Morales Ossandon] What was your responsibility as a member of the party?

[Ramirez] For abuses that were committed and that were not corrected, I have the responsibility, if you like, for not correcting them or for not causing them to be corrected when they should have been.

"Chile is a Good Model"

During his short stay in Chile, Ramirez had the opportunity to talk with a great many friendly politicians, mainly radicals, socialists, and people in Christian Democracy. He feels a great bond with them, for he thinks of Chile and of the Coalition, specifically, as a model for bringing governability and economic growth to Nicaragua.

"Here there is an exemplary experience for Nicaragua, showing that a coalition can bring stability to a nation. It has been demonstrated here that a coalition, where the left is the Socialist Party, is capable of promoting an economic program that brings growth to a country, and that successful economic plans are not the privilege of the right," he says. "In Nicaragua no party by itself is going to be able to govern the country successfully." In this sense, he thinks that there are groups with which the FSLN could work to create a sort of Nicaraguan Coalition.

[Morales Ossandon] What might these groups be?

[Ramirez] As an example, in the National Assembly we have a pilot plan of alliances with Christian Democracy, with the Social Democratic Party, and with other center groups.

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[Morales Ossandon] Do you think the next elections are winnable?

[Ramirez] By changing language, changing the point of view, by appealing to people—not the masses. By winning back the people, it can be done.

[Morales Ossandon] Is a change in posture or in leadership possible before the 1996 elections?

[Ramirez] I could not answer that question. For the elections, time is short. I hope that a renewed Sandinism will be able to run and win those elections with a new approach, with a new concept of life, of society, of politics. I do not know if that can be done or at what cost. But I am involved in that effort, and I am not going to abandon it.

[Morales Ossandon] And if the change does not happen?

[Ramirez] We will see what the options are.

[Morales Ossandon] One of them may be that you will split from the party?

[Ramirez] Another might be that they will throw us out.

Panama

Castro To Attend Perez Balladares Inauguration

PA2508171194 Panama City ACAN in Spanish 1555 GMT 25 Aug 94

[Text] Panama City, 25 Aug (ACAN-EFE)—Government and political sources disclosed today that Cuban President Fidel Castro will attend the inauguration of Panamanian President-elect Ernesto Perez Balladares on 1 September.

The Cuban leader's visit was confirmed to ACAN-EFE by a Panamanian Foreign Ministry spokesman, who did not disclose when Castro will arrive.

Castro's attendance was also confirmed by Labor Minister-designate Mitchell Doens, a ranking leader in the Democratic Revolutionary Party (PRD), whose secretary general is Perez Balladares

An advance group of Castro's security personnel may already be in Panama, according to certain media sources, to coordinate their protection tasks with the Public Force and Panamanian state security agents.

A spokeswoman for the Cuban Embassy told ACAN-EFE that the embassy has not yet been officially informed of Castro's visit to Panama.

Other heads of state who have announced their plans to attend Perez Balladares' inauguration are Alberto Fujimori of Peru, Armando Calderon Sol of El Salvador, Jose Figueres of Costa Rica, Sixto Duran-Ballen of Ecuador, Rafael Caldera of Venezuela, Ernesto Samper of Colombia, and Carlos Roberto Reina of Honduras.

Anti-Castro Delegation May Arrive Same Date

PA2508211694 Panama City LA ESTRELLA DE PANAMA in Spanish 25 Aug 94 p 40

[From "The Griper" column"]

[Text] In light of the possibility that Cuban President Fidel Castro may arrive in Panama on 1 September, it has been learned from Miami that an anti-Castro delegation might arrive on the same date headed by Mas Canosa, of the Cuban-American Foundation, and Huber Matos, among other exiled leaders.

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Argentina

Menem Denies Alleged Negotiations With Iran

PY2508151594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1345 GMT 25 Aug 94

[Text] Buenos Aires, 25 Aug (NA)—President Carlos Menem today described as "total nonsense" a report published in a Buenos Aires morning newspaper with regard to alleged negotiations between Argentina and Iran to prevent more bombings like the one perpetrated against the AMIA [Argentine-Israeli Mutual Association] headquarters.

With regard to a report published in the newspaper CUARTO PODER today, Menem said: "It is total nonsense. It is absurd." He noted: "We have nothing to negotiate with Iran."

In remarks to Radio "La 990" this morning, Menem explained that relations with Iran "are maintained at a commercial attache level because we have recalled our ambassador and they have recalled theirs." He emphasized that "the relations" between the two countries "are totally public; there are no secrets."

With regard to court proceedings, Menem said: "It does not concern the executive branch or the Foreign Ministry, and it is our duty to cooperate with the courts as we gain information on the events under investigation."

Menem emphasized: "The investigation continues, not only into this last bombing, but also into the Israeli Embassy bombing."

Referring to Juan Jose Galeano [the judge hearing the AMIA case], Menem said: "The courts are working full [preceding word in English] steam, and an excellent judge is involved." He noted that it is therefore "necessary to have patience and wait," although he recalled that, out of 70 recent bombings worldwide, "only three or four have been resolved."

Federal Judge To Continue Hearing AMIA Inquest

PY2508210194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1812 GMT 25 Aug 94

[Text] Buenos Aires, 25 Aug (NA)—The Supreme Court has ruled that Federal Judge Juan Jose Galeano will continue to hear the inquest into the attack on the AMIA [Argentine-Israeli Mutual Association] headquarters, since "not enough evidence" was presented during the proceedings to justify passing the AMIA case to the Supreme Court jurisdiction, which is of an "exceptional nature."

During an extraordinary session on 25 August, the Supreme Court analyzed the cause of the attack on the AMIA headquarters and ruled as follows: "Without prejudicing the proof that has so far been produced during the inquest, Federal Judge Galeano will continue to hear the case."

This ruling by the Supreme Court was totally in keeping with the ruling by Attorney General Angel Aguero Iturbe, who contended that "there was not enough proof" to incriminate officials from the Iranian Embassy in Argentina or to require the intervention of the highest court of justice.

The resolution by the Supreme Court on 25 August emphasized that "this decision does not prejudice the fact that if new evidence is validly produced during the inquest, this court may re-examine the issue."

Judge Galeano submitted the proceedings to the Supreme Court when he issued a national and international arrest order on four diplomats assigned to the Iranian Embassy in Buenos Aires and decided that another three diplomats, two of whom currently hold posts at the aforementioned embassy, were "suspects" in the attack.

Had these statements been substantiated with evidence by some entity, it would have been appropriate for the Supreme Court to continue with the case, in accordance with what is established in the Constitution for cases involving members of a foreign diplomatic mission.

Another item discussed during the meeting was the swearing in of the National Constitution, which was recently amended by the Constituent Assembly.

It was decided that on 31 August, following the ordinary weekly meeting, the Supreme Court president will "swear in the other justices, and the federal and national court presidents."

It also decided "that judges of collegiate courts [tribunales colegiados] will be sworn in before the courts of which they are members, and will then swear in other judges and court employees."

Today's meeting was presided by acting chairman Ricardo Levene (jr). Also present were Justices Carlos S. Fayt, Enrique S. Petracchi, Julio Nazareno, Eduardo Moline O'Connor, Antonio Boggiano, Gustavo Bossert, and Guillermo Lopez.

Only Justice Augusto Belluscio, who is on leave, was absent.

Menem: 'No Conditions' for Talks With Opposition

PY2508185594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1327 GMT 25 Aug 94

[Excerpt] Buenos Aires, 25 Aug (NA)—President Carlos Menem made it clear today that he is placing "no conditions" on continuing talks with other political forces in an effort to reach agreement.

Asked about this issue yesterday, Menem said: "As long as the talks represent no threat to the current economic model, which is irrevocable, I will not place any conditions."

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Menem emphasized that it is possible to discuss "improvements to the model as long as the proposals are better than the current model which has allowed Argentina to grow."

In remarks to Radio 990 this morning, the president emphasized the significance of the promulgation of the new Constitution, since previous reforms faced "a series of problems, disagreements, and confrontations." He said: "This is the first time we Argentines have reached agreement."

Menem said the reform "involves placing Argentina, from an institutional and legal viewpoint, on an equal footing with other countries." [passage omitted]

UCR Head Alfonsin on Social, Economic Accord

PY2508164794 Buenos Aires CLARIN in Spanish 21 Aug 94 pp 2, 3

[Interview with Radical Civic Union, UCR, leader Raul Alfonsin by special correspondent Marcelo Helfgot at Castelar Hotel in Santa Fe on 20 August]

[Excerpts] [Helfgot] There are people who are saying Santa Fe produced Menem's reelection and Alfonsin's constitution. Do you identify yourself with the reform's outcome?

[Alfonsin] I identify myself with it, but I reject this description—not out of false modesty, but because many people have been working on it. Nevertheless, it is true that we have produced a constitution that expresses our demands, and that the predictions of those who warned us that we were going to be cheated have not been fulfilled.

[Helfgot] Will this involve a change in the political arena?

[Alfonsin] I believe that now the arena where political battles take place may cease to be a zero-sum situation in which for one to be able to win, the other necessarily has to lose. As we have established some mechanisms that apply to a parliamentary government, from now on we will be able to work in a better way to seek a consensus.

[Helfgot] Are there more possibilities for political alliances, like the one between the UCR and the Grand Front?

[Alfonsin] It is necessary for Argentina that all parties reach a broad political consensus, at least for a time. We also need an economic and social agreement. This is why I wanted to establish—and it still may be created by law—a council comprising representatives from workers, businessmen, government officials, and lawmakers so as to be able to overcome the huge social problems that may crop up if, unfortunately, we happen to be right in our prediction of a worsening of the crisis prompted by this adjustment policy.

[Helfgot] Is there a possibility of extending political agreements to the economic sphere in view of the seemingly opposing opinions about the model imposed by this administration?

[Alfonsin] Reality will show the need to leave the model aside. This is what my economists tell me, because nobody has told me that "the solution lies in devaluing the peso." This is a much more complex problem.

[Helfgot] Can you picture your former Economy Minister Juan Sourrouille sitting at the same negotiating table with Economy Minister Domingo Cavallo?

[Alfonsin] Of course. I believe that we should hold discussions with Cavallo and with economists from other political parties.

[Helfgot] Have you sensed that this administration is willing to discuss economic issues with the UCR?

[Alfonsin] No, not in the least. If this administration wanted so badly to postpone the election until October 1995, it is because it deemed that the economy was really strong.

[Helfgot] Were the pressures to unify the 1995 elections really so great?

[Alfonsin] They came from the administration and from my party as well. Still, we did not want to postpone the election. My contention was that to extend the president's tenure to unify the president's and governors' tenure was neither a good nor a bad measure, but it could have been used in the future by a dictator.

[Helfgot] You nearly withdrew your bloc from the Constituent Assembly on account of this issue.

[Alfonsin] It was not the only issue. There was also the question of abortion, even though a solution was then found. [passage omitted]

[Helfgot] Will there be a runoff in the 1995 presidential elections?

[Alfonsin] That depends, above all, on how, we, the Radicals, perform. First and foremost, we should unite and surmount the serious difficulties that arose from the clash between those who were in favor of the Olivos Pact and those who were against it. If we get rid of this disease—infighting between factions—we will undoubtedly be poised for a comeback. I do not rule out, however, the possibility that the situation of the country at that time will be suitable for forming a coalition government.

Rosario Mayor Quits PSP, Establishes New Party

PY2508201494 Buenos Aires CLARIN in Spanish 22 Aug 94 p 6

[Text] After a 22-year membership, Rosario Mayor Hector Cavallero has quit the Popular Socialist Party (PSP) and formed a new group called Party for Social

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Progress [Partido por el Progreso Social] (PPS). He will run for governor of Santa Fe in next year's elections.

During a meeting on 20 August at the Santa Fe Bank Employees Club in southern Rosario, the PSP faction supporting Cavallero decided to quit the PSP. A large number of delegates from the Amplitude and Participation [Amplitud y Participacion] faction, who support the Rosario mayor, participated in the meeting. The delegates decided to form a new party and again denounced as a fraud the victory by Hermes Binner, a PSP councilman and Cavallero's opponent in the party, during the PSP elections on 14 August.

The PSP crisis, which will reverberate throughout a large portion of Santa Fe's political spectrum, erupted late in 1993. The crisis did not come as a surprise to PSP members because two factions, which on very few occasions were acknowledged by the public, have existed since the PSP's establishment.

Bolivia

Foreign Minister Backs 'Observer' Status in Mercosur

PY2508032894 La Paz Television Nacional Network in Spanish 0100 GMT 25 Aug 94

[Text] Bolivia will not leave the Andean Pact, but its rapprochement with Mercosur [Common Market of the South] as an observer country seems to be a solution supported by all.

According to Bolivian Foreign Minister Antonio Aranibar, a four-plus-one agreement with Mercosur—that is, Uruguay, Paraguay, Argentina, Brazil, and Bolivia as an observer—is the best alternative to allow Bolivia to gain access to a free trade area without leaving the Andean Pact.

[Begin Aranibar recording] This is not incompatible with our membership in the Andean Pact. This obviously entails a rapprochement with Mercosur, which if accompanied by institutional agreements, such as the presence of Bolivia as an observer in Mercosur mechanisms, is a specific path for establishing Bolivian ties with Mercosur. [end recording]

Foreign Minister Antonio Aranibar clearly explained that Bolivia has never intended to leave nor will ever leave the Cartagena Accord.

Coca Peasants Threaten To March on La Paz

PY2508012494 La Paz PRESENCIA in Spanish 9 Aug 94 p 1

[Text] Thousands of coca farmers gathered yesterday in Chimore demanding an immediate "demilitarization," the withdrawal of police forces from the Chapare region so that peace may return to their homes, and the end of "abuses by uniformed forces against the population."

Evo Morales, president of the five federations of coca farmers, said when UMOPAR [Mobile Police Unit For Rural Areas] troops raid a house they not only "eat the peasants' food," they also "steal whatever they can..."

Coca farmers yesterday held a rally to discuss the extent of Operation "New Dawn" and to assess the situation that resulted in the presence of numerous policemen in the region. Leaders from the Bolivian Labor Federation (COB) and General Union Confederation of Bolivian Peasant Workers (CSUTCB), who were also present at the rally, said their organizations will join the march.

The peasants decided that the government has until 15 August to withdraw the police troops from Chapare. If their request goes unanswered, about 3,000 coca farmers will march from Chimore to La Paz.

Amidst strong criticism over the presence of police troops, UMOPAR, and the DEA, peasant leaders protested over abuses against the population and demanded that Amnesty International establish a special office in Chapare to verify human right violations.

Evo Morales charged that USAID, DEA, and other U.S. organizations are responsible for the constant clashes between coca farmers and the government.

The government is committed to eradicating 5,000 hectares of coca leaf by September. So far 3,000 hectares have been eradicated.

Social Defense Secretary Mario Soliz said the coca peasants' demands "do not help in the fight against drugs." He added that these demands are not in line with the political will of the executive branch, which has not given up dialogue as a way to find solutions to the problems affecting the Chapare region.

Official reports state that the coca farmers demand the following: the resignation of Minister of Government German Quiroga, and the withdrawal of UMOPAR. They threaten to march on La Paz if their demands are not met.

Moreover Interior Under Secretary Hugo San Martin warned that "New Dawn is a long-term operation and the police presence in Chapare will continue."

Government To Prevent March

PY2508014894 La Paz Television Nacional Network in Spanish 1700 GMT 24 Aug 94

[Speaker identified by screen caption]

[Text] President Gonzalo Sanchez de Lozada has summoned an urgent meeting of Conadal [National Committee for Alternative Development] to start direct negotiations with Chapare peasant leaders and thus prevent a rally organized by the coca growers for 28 August.

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Every effort will be made to reach agreement, but if this fails the executive branch, through the Government Ministry, will not allow a demonstration of this nature to even start.

The Chapare coca growers have warned that if the government interrupts their march on La Paz, they will block highways throughout the country.

The coca grower's demonstration next week demands respect for national sovereignty and human rights in the struggle against drug trafficking in Chapare. They also want a reduction of the number of security forces in that region.

[Begin Bolivian Labor Federation, COB, leader Victor Magne recording] We are not just saying that all UMOPAR [Mobil Police Units for Rural Areas] members should leave; we are saying members of the Bolivian security forces should also leave because they are engaging in activities outside their role as policemen. They have been carrying out holdups, harassing women and children, and even stealing documents like children's birth certificates, thus leaving them without documents. [end recording]

Everyone knows Chapare coca is not as tasty and not as good for chewing as that produced in Yungas. Therefore, the destination of most Chapare coca leaf production is obvious.

[Begin Magne recording] We are aware that trafficking is the final destination of the coca production. We have no evidence of this, however. There may be middlemen who supply the traffickers. We cannot be naive about this. As a COB leader, however, I have never personally witnessed this. It is because of this situation, which affects coca products, that we demand the government implements a coca industrialization program. If we had an industrialization program we would never have to worry about surplus coca ending up in the hands of traffickers. [end recording]

Peasants have reported that roadblocks will be set up only if the government tries to prevent the protest march from reaching La Paz.

Brazil

Amorim Suggests 'More Open' U.S. Policy on Cuba

PY2608004994 Sao Paulo AGENCIA ESTADO in Portuguese 2017 GMT 25 Aug 94

[Text] Wellington, 25 Aug (AE)—Brazilian Foreign Minister Celso Amorim on 25 August said that the transition in Cuba would be faster if the United States lifted its economic embargo on the island. The minister believes that Brazil will receive few Cuban refugees, but added that the Foreign Ministry is concerned over the crisis between Havana and Washington. "What is really necessary is to begin a dialogue," Amorim said to New Zealand Radio, in Wellington, where he is on an official visit.

Amorim said that during a recent visit he paid to Havana, Fidel Castro and his brother Raul were inclined to join the other Latin American countries in signing a treaty banning nuclear weapons. During his contacts with them Amorim suggested that Cuba make "gestures to the international community" in connection with the observance of human rights.

According to Amorim, the Cuban invitation to a high-ranking official of the United Nations Human Rights Commission shows that Havana is willing to negotiate. "Even though Cuba has an authoritarian government, it cannot be treated like the Haitian military regime," he said. "If we adopt a more open policy, the transition to democracy on the island will be faster."

French, U.S. Rivalry for Sivam Project Viewed

PY2508002294 Sao Paulo VEJA in Portuguese 17 Aug 94 p 96

[Text] Who remembers the maneuvers by the U.S. Army on the Guyanan-Brazil border which prompted infuriated commentaries by Brazilian military men and a meeting of the Defense Council? It took place early last year. During a meeting at Planalto Palace it was decided to implement a project that was stranded because of bureaucracy: A radar system to control the Amazon region. Now comes the news that these U.S. military maneuvers were arranged with Brazilian military men who visited the United States to discuss the fragility of the Brazilian borders and to launch the radar project. The Defense Council meeting was the starting gun for the biggest business deal in the world in the last few years in the field of defense equipment; it is worth $1.4 billion. The document authorizing the Brazilian Government to sign the financing contracts should be ready this week for remittance to the Senate.

It has now been revealed that the Amazon Region Surveillance System, Sivam, negotiations have been full of maneuvers. Last week, 15 days after the results of the call for offers were announced—it was won by a consortium of companies headed by the American giant Raytheon—losers were still knocking at the doors of Brazilian Government officials complaining about the result. Foreign Minister Celso Amorim and Aeronautics Minister Lelio Lobo have received disrespectful letters from Gerard Longuet, French Minister of Industry, Post, Telecommunications, and Foreign Trade, who lobbied in favor of the French group Thomson-Alcatel. Brigadier Marco Antonio de Oliveira, president of the Sivam committee, said: "There is nothing to question. We accepted the best offer. The Americans, besides being technically superior, offered better prices and the best financing conditions."

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The Americans will provide the funds with which to purchase the equipment and to install it in Brazil. The loan, with an eight-year grace period, will be repaid over 10 years at 6.92 percent annual interest. Eximbank, which closed its doors on Brazil a long time ago, has been generous. It will renegotiate old debts of two Brazilian airlines, Varig [Rio Grande do Sul Airline] and Transbrasil, which otherwise would have been paid by the guarantor, the Brazilian National Treasury.

Why has Eximbank become so nice suddenly? "We have achieved a great deal because the French and the Americans were busy fighting it out," said Strategic Affairs Secretary Admiral Mario Cesar Flores. For the French, who sold and installed the radar units at Brazilian airports, it was important to maintain their market. Thomson and Alcatel are two public companies that joined Credit Lyonnais, a French Government bank, to make their proposal. The problem is that Credit Lyonnais is not doing well. Its financing did not include all the required money and the French equipment is very expensive. To give one an idea, there are still four French radar units waiting to be installed at Brazilian airports. The French charge $1 million to install each of them, not including the cost of the equipment or the maintenance. The U.S. radar units will be installed in the Amazon region for a quarter of that price. The French defeat has caused a mayor shake-up in the Alcatel command.

At the start of the call for bids, the French and the Americans were practically even. Brazil had to really convince the Americans of the importance of the deal. The U.S. ambassador was convinced back in June and ended the discussion with the following words: "We will win, whatever the cost." The financial cost was $200 million—the difference between the initial proposal and the one that was finally approved. Other agreements were also reached. The Americans promised to buy shares from Embraer [Brazilian Aeronautics Company], the public Brazilian airplane manufacturer during its privatization process. They did even more. They gave Sivam some equipment for free. It was the best possible result for the Brazilian Government.

Raytheon, like the rest of the defense equipment companies worldwide, has been facing problems since the end of the Cold War. The contract with Brazil will guarantee 1,100 new jobs over the next 20 years. What is more important: The Americans broke the French monopoly in Latin America and dealt a blow to Thomson, its competitor in the Middle East. Brazilian Ambassador to the United States Paulo Tarso Flecha de Lima last week told a friend that "the Americans were so delighted with the result, they now invite me to all the parties in Washington."

Ministers Discuss Trade Relations With PRC

PY2408153194 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Aug 94 p B6

[Article by Elza Pires]

[Text] Brasilia—On 15 August, Industry, Commerce, and Tourism Minister Elcio Alvares will discuss with Finance Minister Rubens Ricupero the current state of trade relations between Brazil and the PRC.

After receiving Brazilian shoe industry representatives, Alvares expressed concern at the threat of unemployment in this sector, something which could happen if the Chinese continue to place on the Brazilian market shoes cheaper than $1 or 0.95 reals.

Chinese garlic production is also threatening Brazilian garlic exports. According to Alvares, Brazil produces garlic three times as expensive as the PRC's.

During the meeting with the finance minister, Alvares intends to analyze whether the low Chinese production costs are the result of subsidies. He also wants to examine the trade relations between the two countries. Alvares pointed out the government's interest in identifying the social consequences that competition in the international market may cause for Brazil. Alvares said that three ships loaded with garlic are about to arrive in Brazil, which could harm the entire Brazilian production.

"The government does not want in the least to favor high prices, but we cannot cause the unemployment of a large mass of producers in Brazil," he said. According to Alvares, in the case of trade relations between Brazil and the PRC, the GATT rules cannot be put into practice because the Chinese have not signed the GATT agreement. "Brazil has entered the free market without protection mechanisms to face this kind of problem," the minister said.

President Favors Resumption of Angra-2 Works

PY2508001894 Sao Paulo AGENCIA ESTADO in Portuguese 2306 GMT 22 Aug 94

[Text] Brasilia, 22 Aug (AE)—An official source today revealed that President Itamar Franco has decided the construction of the Angra-2 nuclear power plant must be resumed this year to prevent a power shortfall in southeastern Brazil. The conclusion of Angra-2 will cost $1.4 billion. The nuclear plant has already cost $4.6 billion over the past 18 years, during which 69 percent of the plant was built. The resumption was discussed this morning between President Franco, Mines and Energy Minister Alexis Stepanenko, and Justice Minister Alexandre Dupeyrat.

The resumption now depends on a legal evaluation that was requested by President Franco from the justice minister. Dupeyrat must recommend whether or not to submit to Congress changes to the Brazilian-German contract to allow the transfer of $420 million of the already suspended Angra-3 funds to Angra-2. Dupeyrat's decision, which his spokesmen say will probably be to send the proposal to Congress, depends on a consultation with the Finance Ministry attorney to clarify the legal implications of transferring funds from Angra-3 to

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Angra-2. The meeting today was also attended by Eletrobras [Brazilian Electric Power Company, Inc.] President Jose Luis Alqueres who provided the technical basis for the discussion which took place in the presidential office. Eletrobras projects that by 1988 [date as received] energy consumption on the Rio de Janeiro-Sao Paulo line may suffer a shortfall, especially if there is an economic upsurge based on the stability of the currency.

President Franco is convinced the solution lies in finishing Angra-2. The immediate resumption of the work will guarantee 1300 megawatts of electricity for southeastern Brazil by 1988 [date as received], thus eliminating the risk of a shortfall. The financial timetable for the conclusion of Angra-2 has already been drafted by Minister Stepanenko's team. It foresees an additional $300 million in loans from the German partners.

Eletrobras will contribute an additional $330 million, Furnas [Furnas Electric Power Plants, Inc.] will contribute $320 million from its own resources, and the Fund for Financing Machinery and Equipment (Finame) will put up $50 million. Since work stopped in 1992, the maintenance of the Angra-2 site and equipment has cost $120 million per year, which also helped President Franco to decide to resume the project.

Presidency Denies Use of Federal Machinery To Help Cardoso

PY2508155894 Brasilia Radio Nacional da Amazonia Network in Portuguese 1100 GMT 25 Aug 94

[Text] Superior Electoral Board Magistrate [Corregedor da Justica Eleitoral] (Cid Escartezzini) has sent notifications to Mines and Energy Minister Alexis Stepanenko and Regional Integration Minister Aluizio Alves. They have five days to explain their alleged use of the federal administrative machinery in favor of presidential candidate Fernando Henrique Cardoso.

Minister Stepanenko has reported that he will not cancel his schedule for the dedication of public works until election day, as requested by Deputy Luiz Henrique, president of the Brazilian Democratic Movement Party. According to Henrique, Stepanenko is using the government machinery to benefit Fernando Henrique Cardoso, presidential candidate for the Brazilian Social Democracy Party, PSDB. The Mines and Energy Ministry advisory board has reported that the public works dedication schedule has been ready since the beginning of the year and will not be modified.

The Presidency of the Republic has released an official note denying the use of the administrative machinery to help PSDB candidate Fernando Henrique Cardoso. The official note released by Planalto Palace refutes media criticism that the government has been using the federal machinery to help Cardoso. Among other things, the note states that President Itamar Franco will not allow officials occupying positions of confidence or the institutional apparatus to be placed at the service of electoral goals. The note ends by stating that the figure of the president of the Republic is above passions and electoral and party interests.

Senator Pedro Simon, government leader at the Senate, asserted that government activities conducted by President Franco, such as the construction and dedication of public works, are a priority and have the characteristics of an emergency.

President Itamar Franco will leave for Juiz de Fora, Minas Gerais State, early this afternoon. He will remain there until 31 August.

Lula Denounces 'Rumors' Spread Against Campaign

PY2508170394 Rio de Janeiro JORNAL DO BRASIL in Portuguese 24 Aug 94 p 4

[Excerpt] Sao Paulo—Workers Party (PT) presidential candidate Luiz Inacio Lula da Silva yesterday said he has received "information" showing that the Strategic Affairs Secretariat (SAE)—which depends on the Presidency of the Republic and which replaced the old SNI [National Intelligence Service]—is allegedly behind the rumors that are being spread against the PT campaign. Lula said that the party is still "looking for proof" in order to file a formal accusation before court, but he said he already has some "evidence," such as the fact that some SAE agents have infiltrated into labor union assemblies to monitor their strike threats.

Lula did not specify the nature of the alleged rumors that have already been spread, but his campaign organizers already had to take action with the leading rural pensioners unions to deny that Lula will suspend pensions for retired rural workers. Such a rumor was spread among rural pensioners waiting in line to collect their pensions in the banks in Sao Paulo and Parana states.

Another rumor that circulated and that was mentioned by the PT campaign coordinators held that if elected, Lula would change the name of the new currency, the real. Such a rumor was started by Central Bank Director Gustavo Franco during an interview with the news agency of Fernando Henrique Cardoso's campaign committee. Lula accused Cardoso's campaign committee of "using" the "government apparatus" to transform it into a "factory of rumors."

According to Lula, "just look at the case of Central Bank President Gustavo Franco, who used his position to foolishly say that I would meddle with people's savings accounts, a rumor that was spread by a news agency hired by my political opponent."

The news agency to which Lula refers is FREE PRESS, founded by journalists Augusto Fonseca and Mino Pedrosa especially to serve Cardoso's electoral campaign. FREE PRESS, which interviewed Gustavo Franco, produces the news that is being released by AGENCIA ESTADO (which is linked to the newspaper

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O ESTADO DE SAO PAULO) and which has also been hired by Cardoso's campaign committee. [passage omitted]

Lula, Cardoso Review Foreign Policy Issues

PY2508164694 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Aug 94 p A10

[Article by Moises Rabinovici]

[Text] The two most popular presidential candidates temporarily left their concerns about the electoral campaign and looked at world issues. They had different outlooks. PT [Workers Party] candidate Luiz Inacio Lula da Silva wants Brazilian soldiers in the Middle East to safeguard peace between Israel and a future Palestinian fatherland, while PSDB [Brazilian Social Democracy Party] candidate Fernando Henrique Cardoso cherishes the dream of profitable business and more cooperation with Arabs and Jews.

The round-the-world trip by the two candidates also includes stopovers in Cuba, Haiti, Argentina, Peru, the United States, as well as the countries of Mercosur [Common Market of the South]—which one of the candidates will open at the beginning of 1995. They referred to world problems like drug trafficking and the environment. Cardoso took six days and Lula took eight to answer the issues proposed by O ESTADO. Lula asked his foreign affairs "minister" Marco Aurelio Garcia, the coordinator of his government program to answer the issues. We hope our voters and readers have a nice journey.

The outbreak of terror which threatens other South American Jewish centers—even in Brazil—has prompted the reinforcement of security. Lula chose a "discreet" reaction. He said: "It is not that we are afraid," adding: "We did not want the attack to be used for electoral purposes." Keeping silent can also be electorally dangerous. There are thousands of Jewish votes and reals in Sao Paulo to finance the campaigns. The PT went directly to Israeli Federation leader Rabbi Henry Sobel and Israeli Ambassador to Brasilia Shlomo Bino, to express its position. Lula said: "We do not believe in violent repudiation," adding: "The bomb was an attempt to hinder the peace process in the Middle East, to which we have for a long time been committed."

Cardoso expressed solidarity with the Jewish community. He said: "I view with concern the reactivation of international terrorist violence. Out of principle and education, I strongly condemn this type of political action. Anti-Semetism, like any discrimination, distorts the democratic belief in the equality of men."

Under Cardoso, Brazil "will endeavor to positively guarantee international community support for the peace process." He said the needs of the Palestinian people justifies continued control by the United Nations. Furthermore, Brazilians identify themselves with the wish for balanced socioeconomic development in the countries of the region. "We hope to multiply bilateral exchange mechanisms," Cardoso said. The final peace agreement is no longer a mirage in the desert. He said: "I hope to see it."

Lula wants Brazil "to continue to play a role that facilitates agreement between Israelis and Palestinians." Yet things have not always been like that. Spokesman Marco Aurelio Garcia said: "There used to be an underlying conflict between the Jewish community and the PT because of our support for the PLO." The historic handshake between Yasir 'Arafat and Yitzhak Rabin only served to strengthen the PT position: "We advocated this outcome before it happened."

Would a PT government send peace-keeping troops to the Middle East?

Garcia replied: "Undoubtedly. One month ago Lula said he favors sending troops on peace-keeping missions. But we have to be very careful to avoid engaging in 'crises' like in Somalia, where a humanitarian mission got involved in the war."

The United Nations has authorized military intervention in Haiti. During the vote, Brazil abstained. Lula has yet to "ripen" his position. Garcia said: "the PT does not adopt a position on all international issues." During a recent visit to Washington's Press Club, however, Lula gave the impression he favors an invasion of Haiti. "He actually wanted to say something else, to express his indignation at the international community's impotence over the Haitian crisis." The PT spokesman said the PT "is not dodging the issue," adding: "We tend to support the Brazilian position at the United Nations; it was wise because everyone knows how an intervention begins, but no one knows how it will end."

For Cardoso, Brazil has a role to play: "We must be on the front line of international efforts to resolve the problem—which is also a problem of underdevelopment—and definitively establish democracy and respect for human dignity in Haiti." For Cardoso, the current Haitian regime "has failed to comply with the Governors' Island Agreement and the Pact of New York—which were freely negotiated. The regime illegally seized power, distorted the electoral will of its people, and confronted international efforts by the United Nations and by the Organization of American States." Cardoso approves of the Brazilian abstention in the vote, saying: "The idea of an invasion has been criticized everywhere, even in the United States, for its untimeliness and lack of legal justification."

The new emigration of Cubans has caused a crisis in Florida. On 18 August, U.S. Coast Guards seized 547 Cubans who took to the sea in improvised craft. Cardoso respects Fidel Castro as "a myth whose political struggle has captured the imagination of generations, marking the last 30 years of Latin American history with ideas of

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liberation." Cardoso expects Fidel to "review what he has done and update his perception of the international and the Cuban situation."

Cardoso's hopes were strengthened by the invitation extended to the United Nations high commissioner for human rights to visit Cuba: "Fidel is very intelligent and can make bold political analyses." If elected president, Cardoso says Brazil "will continue to promote dialogue between Cuba and all countries of the Americas, seeking to create opportunities for Cuba's sovereign development and renewal."

Lula went to the anti-Castroist nest in the U.S. Congress to demand an end to the boycott on Cuba. "You are totally wrong," he told them: "A boycott only makes things worse." He outlined the path to be followed: "You believe the Cuban political system must change, and we agree. But we certainly do not agree on the direction of the change. We would like to see a multiparty, multiunion system, with press freedom and freedom of expression. This evolution will only be possible if international pressure drops." A PT government will "intensify" Brazil's current policy, which has been marked by the first visit of a Brazilian foreign minister to Havana. The PT knows the "opposition sectors in Cuba are willing to accept a transition system with Fidel." While he waits, Lula smokes Cuban cigars.

Peru is Cardoso's shortest stopover in his tour of the main political spots of the world. He said: "I have not held any meaningful conversation with the Peruvian president." Cardoso met President Alberto Fujimori only on social occasions during his visit to El Salvador for the Third Ibero-American Conference of Chiefs of State and Government. He said: "There were two times in Fujimori's political career when he sought representative legitimacy: His election and the referendum at which he obtained a majority. Even though these two events had different meanings, I understand them as acknowledgement by the Peruvian Government of the need to listen and attempt to represent the people's will."

Even at the moment of his election, President Fujimori did not have the endorsement of the PT, but he was condemned when he carried out his self-coup. Marco Aurelio Garcia, Lula's spokesman for international relations, said: "It was like the 1937 coup in Brazil." He added: "What calls our attention to the Peruvian crisis which gave way to the Fujimorization, was its lesson for Latin America: Without economic and social democracy in a country, the political democratic institutions cannot survive."

The meeting of chiefs of state and government organized by U.S. President Bill Clinton for November in Miami may be good for the United States but it is bad for the PT. Garcia said: "Lula already said it: We do not think Florida is a good choice." He described Miami as "loaded with symbolism" for Latin American policy, especially Cuban policy. The location could determine "a furious anti-Castroist meeting."

Cardoso disagrees; he sees only advantages from the meeting in Miami. He said: "Meetings like this are useful because of the personal contact among presidents," adding: "Well prepared and organized with its sponsor's democratic spirit, the meeting will help to update concepts of Inter-American relations." Cardoso believes the American continent lacks initiatives to help attain a balanced economic and social development. He mentioned priority subjects that should be discussed: Latin American economy, trade, and access to scientific knowledge and advanced technology.

Lula wants a reinforced Mercosur: "We look positively on the membership of Bolivia and Chile." He believes the timetable will not be defined fast enough because the Mercosur launch will coincide with the inauguration of the new Brazilian president. He also believes the four Southern Cone countries should not be limited to a free trade zone but must "prepare for an advantageous insertion in the world by implementing common industrial, farming, social, and cultural policies."

Cardoso says that with the real he has prepared Brazil to benefit from the Mercosur. Integration "increases investment opportunities and job creation possibilities within the four member countries. It also represents a considerable contribution to Brazil's solid base to guarantee our competitive insertion in the world." Cardoso believes "universalism and regionalism are complementary dimensions in the history of Brazil which were only recently acknowledged and institutionalized in our foreign relations." Based on this, he draws a parallel between the globalization of finances and investments with that of democratic and human rights values.

The two presidential candidates revealed different visions in a brief review of the international drug problem. Cardoso mentioned the economic reasons that lead a Colombian peasant to plant coca instead of coffee. He said: "The responsibility for the drug problem is multi-partisan. Drug-producing countries cannot stop the traffickers, while consuming countries must jointly assume the effort of the combat." If elected, he promised: "I will support legislative measures and provisions to strengthen action in this field." Among these actions he mentioned the creation of the national secretariat of public security, the reinforcement of the Federal Narcotics Council, and the renewal of equipment used by the institutions involved in this task—like the Federal Police.

Lula mentioned the Rio de Janeiro slums where trafficking gangs have more sophisticated weapons than those of the police. The PT regrets that Americans always mention in official statements: Oh! the drug problem..."but they forget that they are both drug consumers and weapons suppliers." The PT accuses the United States of having lost control of its weapon exports—"a level of negligence comparable to the crime of producing and trafficking drugs." Lula agrees, with some exceptions, that "there must be joint action that

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respects the framework of national sovereignty. It is absurd to transform the Army into mere trafficking police."

The two presidential candidates share a common position in the field of national environment: If Brazil is incapable of ratifying the Rio-92 Environmental Agreement, how can it have international credibility? Both Lula and Cardoso intend to reinforce this aspect.

Rio de Janeiro, Sao Paulo State Debt Rollover Authorized

PY2608013994 Sao Paulo GAZETA MERCANTIL in Portuguese 18 Aug 94 p 13

[Article by Claudia Safatle]

[Excerpts] Brasilia—Through symbolic voting sessions the Senate yesterday authorized the states of Rio Grande do Sul and Sao Paulo to issue financial papers to roll over their debts.

The special voting session took place only after the great efforts made by Rio Grande do Sul Senators Pedro Simon (PMDB) [Brazilian Democratic Movement Party], Jose Fogaca (PMDB), and Jose Paulo Bisol (PSB) [Brazilian Socialist Party] to gather a quorum.

The approval was crucial for normalizing the situation of Rio Grande do Sul, which on 16 August had to honor the equivalent of $250 million in matured debt papers through an emergency operation in which the Banrisul (Bank of Rio Grande do Sul) put in $137.5 million from its own reserves and the state treasury put in over $112.5 million, borrowing resources from state public enterprises.

The domestic public debt of the states, which has practically doubled in the past four years, jumping from $8.7 billion in 1990 to $17.01 billion in June 1994, is a sensitive problem, especially during an economic stabilization period when the state public banks that are guarantors are more vulnerable. [passage omitted]

The Senate also approved the issuance of debt papers by the Sao Paulo State Treasury to roll over those that will mature on 15 September and 15 December for a total of 2.21 billion reals (R), according to an investigation by reporter Adriana Vasconcelos of this newspaper.

Sao Paulo Governor Luiz Antonio Fleury Filho believes that the domestic public debt of his state, which amounted to $7.25 billion in June, is not a problem. Journalist Sergio Leopoldo Rodrigues from this newspaper was told by Fleury, with irony, that "Rio Grande do Sul had problems with its LFT's [Treasury bonds] because Senator Pedro Simon was more worried about his support for the candidacy of Fernando Henrique Cardoso (PSDB-PFL-PTB [Brazilian Social Democracy Party-Liberal Front Party-Brazilian Labor Party] coalition presidential candidate).

Constitution Amendment No. 3 allows the states to issue debt papers only to roll over their debts, but not issue papers to contract a new debt. The Senate must thus approve an issuance operation every time the debt papers (totalling $17.01 billion) mature. The state public banks, as guarantors of these debt papers, are not responsible for the debt rescheduling or repayment. According to the "white collar law" the state banks are even forbidden to finance the majority shareholders, which are the state treasuries. [passage omitted]

On 7 July the Senate authorized Rio de Janeiro State to roll over $1.5 billion, representing 90 percent of its debt, which should mature during the second half of the year according to an investigation by journalist Livia Ferrari from this newspaper.

The situation seems to be calm in the rest of the states. "We do not have debt titles maturing this year," Bahia Finance Secretary Rodolfo Tourinho Neto told journalist Pedro Rubio. Bahia's debt in LFT's is worth R323 million, part of which will mature in 1995 (R222 million) and the rest in the following year.

The State of Parana issued $56.7 million worth of debt titles during the first half of the year to roll over the debt that matured during the same period. The debt of the Santa Catarina State will mature in 1995.

Chile

Argentine President Arrives on Official Visit

PY2508221194 Madrid EFE in Spanish 1933 GMT 25 Aug 94

[Text] Santiago, Chile 25 Aug (EFE)—Argentine President Carlos Menem arrived today in Santiago on an official two-day visit during which he and Chilean President Eduardo Frei will discuss bilateral ties and ways to achieve progress in economic and physical integration projects.

Frei and other high-ranking Chilean Government officials welcomed Menem at the Santiago international airport, where the Argentine president was received with military honors.

In a brief statement to the press, Menem said: "As always, we are arriving with much hope and faith regarding the development, growth, and strengthening of our bilateral ties, which, thank God, are at an excellent level."

The two presidents are scheduled to hold today their first working meeting at the La Moneda government palace. In the evening, President Frei will host a reception in Menem's honor at the Santiago Fine Arts Palace.

Tomorrow, Frei and Menem will meet with 350 business leaders, who will be briefed on the status of bilateral economic ties, trade—which this year is estimated to

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total $1.4 billion—and projects seeking to expand economic and physical integration between the two countries.

Later the two chiefs of state are scheduled to hold another working meeting, at the end of which they will sign a joint declaration in which they commit themselves to promoting several integration projects. These projects were already approved at a prior meeting of the Chilean-Argentine Binational Committee in Santiago.

Negotiations for Mercosur Accord To Start 9 Sep

PY2508134394 Madrid EFE in Spanish 1553 GMT 24 Aug 94

[Text] Santiago, 24 Aug (EFE)—Negotiations between Chile and the Common Market of the South (Mercosur) to establish a free trade partnership will start on 9 September in Rio de Janeiro.

Today Juan Salazar, Foreign Ministry director for international economic affairs, said that the custom tariff reduction program that will be used within the framework of the Chile-Mercosur agreement will be the main subject to be discussed on the occasion.

In this regard, Chile has made a mixed proposal that includes a list with various timetables for the reduction of custom tariffs for products that will be traded between Chile and the Mercosur member countries, that is, Argentina, Brazil, Paraguay, and Uruguay.

Salazar explained that for the more complex sectors, such as agriculture, the deadline for the reduction of custom tariffs will be lengthier. It will be up to 10 years.

According to Chilean authorities, Chile wants the custom tariff negotiations with Mercosur to be based on the current minimum preferential rates used by the Latin American Integration Association, which expire on 31 December.

Chilean trade with the four Mercosur member countries amounts to some $3 billion. Argentina and Brazil are Chile's third and fourth largest commercial partners after the United States and Japan.

Moreover, Mercosur member countries receive 41 percent of the manufactured goods Chile exports, according to information disclosed by the Association of Exporters of Nontraditional Manufactured Products (Asexma).

The proposal for a partnership with Mercosur was officially made by Chilean Foreign Minister Carlos Figueroa to his Argentine counterpart, Guido di Tella, on 11 June in Buenos Aires.

On 5 August Mercosur, after agreeing to start negotiations, invited Chilean President Eduardo Frei to attend the presidential summit held in Buenos Aires.

Socialist Senator on 'Normalcy' of Civilian-Military Ties

PY2408194194 Santiago EL MERCURIO in Spanish 15 Aug 94 p C4

[Text] Socialist Senator Jaime Gazmuri, member of the Senate Defense Commission, noted the normalcy of the relationship between civilians and military but said he cannot assert that the "transition" process has concluded because there are still many pending human right cases.

In this regard, Arturo Frei Bolivar (DC) [Christian Democratic Party], president of the aforementioned congressional commission, asserted that the courts must solve the cases of violation of human rights during the military regime, aside from the civilian-military relationship, which is at one of its highest levels.

Bolivar added: "We must now think of the future and not of the past. I believe the important thing is to avoid making the same mistakes as were committed in the past. The pending problems must be solved at a judicial level."

Gazmuri agreed that the relationship between civilians and military is experiencing a period of normalcy.

He said that current issues in democracy are discussed but that he could not assert that the transition process is over because there are still some pending problems. Gazmuri said: "What is more, some constitutional reforms returning to the president of the Republic the authority he always had over the Armed Forces' command are still pending."

Regarding the human rights cases, he said that they are in the hands of the courts, and added that the socialists would have preferred more exhaustive investigation.

Gazmuri said: "Truth and justice regarding these cases are yet to be determined, but it is not up to us to discuss this subject during the meetings with the Armed Forces regarding institutional issues. They must follow their normal procedural path in court."

Asked whether the military had increased its cooperation to determine the whereabouts of the arrested-missing people, Gazmuri said that the Army's help could contribute to establishing the truth. "In this regard, we have not made the progress the country expected."

Arturo Frei Bolivar stated that "after the four years of President Aylwin's administration, we have entered a phase in which there is greater understanding between civilians and the Armed Forces."

He said that in his capacity as Senate Defense Commission president, and based on his experience, he can assert that the Armed Forces are currently engaged in merely institutional tasks.

"The FACh [Chilean Air Force] is in charge of the aerospace program, the Navy 'maintains Chilean presence in its territorial waters,' and the Army is in charge of 'interior borders.' I believe that with these initiatives, they are making important contributions to the country's development," he added.

When asked whether he thought that the problems with the military have been fully overcome, Frei Bolivar said he thought they had, to a great extent.

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Frei Bolivar said: "The commanders' relationship with the government is currently experiencing an excellent moment, even with the Carabineros, despite disagreements on various points that may have existed."

He explained, however, that the subject of a possible new amnesty law is not on the political agenda of any political party nor has it been requested by the Armed Forces.

He commented that "in his opinion, the armed institutions are more concerned about their professional activities."

Communist Party Secretary General Interviewed

PY2508011794 Santiago LA TERCERA DE LA HORA in Spanish 16 Aug 94 p 7

[Text] Former Deputy Gladys Marin yesterday was nominated secretary general of the Communist Party (PC) by the recently elected 70-member central committee during one of the final sessions of the 16th PC National Congress in which 438 delegates from all regions of the country participated. The national congress opened on 11 August and closed at noon yesterday. It was held at the old National Congress Hall of Honor.

Gladys Marin, former secretary general of the communist youth, is the first woman to hold such a high post, both nationally and worldwide.

The members of the political committee designated yesterday are: Gladys Marin, Manuel Cantero, Lautaro Carmona, Jorge Insunza, Manuel Ahumada, Luis Salinas, Jose Ortiz, Oscar Azocar, Andres Lagos, Javier Chavez, Guillermo Sherping, and Adrian Fuentes. The alternate members are: Felipe Stritter, Alberto Neuman, Guillermo Salinas, and Patricia Conueman. The central committee was renewed by 40 percent.

Outgoing PC Secretary General Volodia Teitelboim stressed the political ability of Gladys Marin—calling her "the best female communist"—and describing her revolutionary background which includes her exile and return to fight for the return to democracy. He added that the responsibility she assumes is enormous because it is imperative to recover democracy and social justice in Chile.

Marin conveyed her profound decision to carry out one of the most important proposals resulting from the 16th congress: that of working for a "democratic revolution" in the new stage she faces.

Marin also recalled the communists who gave their lives in the long battle against the dictatorship.

She said her party represents those who need changes and who want the people to be considered the center of concern of society and of the states. She said: "We represent the overwhelming majority excluded by the policy of this government. To mention one figure: the 800,000 workers who live on the minimum salary and who, together with their families, make up 3 million Chileans. We represent the feelings of women, youth, artists, and intellectuals."

She said the decision of the congress to seek a "democratic revolution" stems from the idea that there is no democracy in Chile—only a few democratic spaces. She said the internal changes, neo-liberalism, and the new phase of capitalism, make us spurn the bourgeois democratic conquests which seek to annul the weight of the people by disallowing their participation.

A few minutes after assuming as the new secretary general, Gladys Marin talked to us with the applause following her nomination still echoing around the old National Congress Hall of Honor in Santiago.

[LA TERCERA] How do you feel about being elected secretary general of the communist party at this time?

[Marin] It is a great responsibility because I know we are living through complex times. We have as our task everything the 16th congress has outlined: the democratic revolution, to help the workers movement, to take to the streets, to strengthen the party... All this is a great challenge which is not easy and which will require very hard work.

[LA TERCERA] You are the first woman worldwide to hold this post. How do you view this?

[Marin] I believe this party, which knows what a chauvinist society is, allows a greater possibility for the participation of a woman in a plan, not equal, but relatively equal to man, at least as far as ideals are concerned. I think this is recognition and I feel good about it, but with a sense of greater responsibility.

[LA TERCERA] In your speech, you proposed handing over the democratic revolution proposal to all political trends. How will this rapprochement take place in the case of parties members of the coalition?

[Marin] It is an invitation to a unity on all points on which we agree. For instance, all aspects of the program of the coalition—which we consider part of this democratic revolution—like the reform of the national Constitution, electoral reforms, the end of designated senators and other bad habits of the past, and anything that represents antidemocratic acts. About those things we can be united.

[LA TERCERA] Do you find it somewhat difficult now the PC has no representative in Congress?

[Marin] We are aware of that. For this reason we have opted for a very strong option—which is working for the workers, the unions—which will apply pressure, as it is being done now. We understand that not everything is the work of the communists: here we have a country that is shouting, which is demanding changes. Our strength will be based on working with them.

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Colombia

Foreign Minister: Country Not To Receive Cubans

PA2508191594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 25 Aug 94

[From the "National Newscast"]

[Text] Colombia will not receive Cubans. Colombian Foreign Minister Rodrigo Pardo said this today while announcing his country's position regarding the crisis of the Cuban boat people.

[Begin recording] [Unidentified correspondent] Would Colombia be willing to receive the Cuban boat people in view of the current situation they face?

[Pardo] We have not yet received any formal request to that effect. The issue has not been raised. When the possibility of receiving Haitians was raised one week ago, when there was an emigration from that island to the United States, the government at that time reached the conclusion that the conditions did not exist to receive them. It was a decision that was reached by President Gaviria after consulting with President-elect Ernesto Samper. I think, therefore, that the conditions remain the same. If the issue were to be raised, I doubt very much that we could receive Cubans at this time. [end recording]

Prosecutor General Agrees to New Surrender Policy

PA2508011694 Santa Fe de Bogota EL ESPECTADOR in Spanish 19 Aug 94 p 9A

[Text] Alfonso Valdivieso Sarmiento, the new prosecutor general of the Republic, has said that he agrees that the surrender to justice system has to be reviewed. He also announced that he will attack corruption and lend celerity and effectiveness to investigations pursued by the institution.

Valdivieso spoke after being sworn in, in the presence of President Samper, at a protocol ceremony at Narino Palace.

The new prosecutor general said that although President Ernesto Samper announced that changes to criminal rulings would not be a priority in his government, he would agree to make changes if it is determined they are needed once the rulings have been assessed .

He said he was completely willing to work to get the Cali Cartel drug traffickers to surrender to justice, saying "this is an important alternative we cannot avoid. Confession is an essential requirement and perhaps the basis of the surrender to justice system. But it is essential that clues and evidence be presented that will allow us to condemn other criminals."

Valdivieso said his work at the head of the Prosecutor General's Office will essentially be geared to consolidating the institution, seeking out and arresting criminals, stepping up investigations, and fighting corruption.

Referring to the continuing investigations into presidential candidate Luis Carlos Galan Sarmiento's murder and the doubts expressed by his widow, Gloria Pachon, who has said that these investigations have created impunity for the culprits, the prosecutor general said her demands "are totally justified. We have a right to expect that this crime be cleared up and that its perpetrators be identified."

Valdivieso revealed that he had appointed former Police Commissioner Adolfo Salamanca Correa as assistant prosecutor general and lawyer Juan Carlos Cortes as secretary general.

Outgoing Prosecutor General Gustavo De Greiff was asked if he feared for his life. He jokingly replied: "No, sir. As one of the Council of State's magistrates says, the only things you have to fear are God and a lack of women."

Industry Competitiveness Said Deteriorating

94CA0148B Santa Fe de Bogota EL ESPECTADOR in Spanish 26 Jul 94 p 3B

[First paragraph is EL ESPECTADOR introduction]

[Text] Industry's behavior is satisfactory, according to the Ministry of Development. But 14 of the 27 sectors grew at a below-average rate. Labor costs are on the upswing.

Industry's behavior in the last three years has been satisfactory, but its competitiveness has declined in the same period because of the impact of high labor costs.

This was the assessment of the Ministry of Development's Industrial Monitoring Unit, which said that of the 27 sectors making up the industrial sphere, 14 grew at a below-average rate, and six had negative growth.

This unit found that relative price trends were not a positive factor for industry, for between 1991 and 1993 consumer prices grew at a significantly higher rate than the rise in manufacturers' prices.

One aspect that it observed with little concern is the rising rate of import penetration, which is higher than the increase in exports. According to the Ministry of Development, "this is an expected short-term result, given the reduction in tariffs and the surge in imports."

The Industrial Monitoring Unit wrote that among the 13 sectors with above-average growth, sectors making particularly strong showings were: transportation equipment; pottery, clay, and porcelain; industrial equipment; plastics, and nonmetallic ores.

The government document stated that negative growth was recorded in industries producing professional and scientific equipment; tobacco; petroleum byproducts; fabrics, leather, and the clothing industry.

"In general, industry's behavior can be considered satisfactory, as the annual manufacturing growth rates show

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a rising trend between 1991 and 1993," says the Industrial Monitoring Unit's report.

Industry at the Expense of Competitiveness

"While industry's record is favorable," said the Ministry of Development, "its long-term evolution depends on the behavior of competitiveness, which declined between 1991 and 1993, at least in terms of labor costs." This report indicates that "in real terms, workers' compensation increased faster than productivity."

The ministry added: "Constant vigilance needs to be maintained on this situation, as labor competitiveness is a key factor in the future development of our industry."

Samper To Eliminate Petroleum Tax

94CA0148A Santa Fe de Bogota EL ESPECTADOR in Spanish 26 Jul 94 p B1

[First paragraph is EL ESPECTADOR introduction]

[Text] Samper proposes to reactivate a National Fund to assure the same level of exploratory activity for both ECOPETROL [Colombian Petroleum Enterprise] and private operators.

President-elect Ernesto Samper pledged to abolish the war tax paid by petroleum companies for each barrel produced as a way of boosting the competitiveness of Colombia's petroleum industry.

Describing this tax as "clumsy and discriminatory," Samper said: "We will try to abolish it if the fiscal situation permits, or at least redesign it."

He also felt additional incentives should be granted for exploration in "cold fields." These are areas where there is not a great possibility of finding hydrocarbon reserves, and when they are found, production costs are so high that extraction and marketing are not profitable.

In a report in CARTA PETROLERA, the ECOPETROL newsletter, Samper acknowledged that there has been a disturbing decline in exploratory activity, and it has worsened in recent years. He said this trend must be turned around.

To that end, he promised to revive the National Exploratory Fund so that ECOPETROL and private companies with a majority of Colombian-owned capital will have access to resources to maintain the level of exploration, even in times of low international prices.

Fund To Avert Revaluation

The president-elect also spoke of creating a Petroleum Investment Fund to avoid concentrating the resources generated as a consequence of the development of the Cusiana oilfields.

In his opinion, it would not be good for the nation, the departments, or the cities to concentrate investments during the 1997-2002 period, for that would generate very strong inflationary pressures and impede a careful selection and execution of programs and projects. "My view is that the fund should have three separate accounts: one for the part saved from royalties of the department and municipalities where the petroleum was produced; another for the part saved from resources of the National Royalties Fund; and a third for the part saved from resources belonging to the nation and to ECOPETROL," he explained.

He added that the fund would keep its resources invested outside until oilfield production begins to decline. "With this fund and the proper management of its resources, we will be able to avert pressures to revaluate."

ANDI Says Country Not Fully Utilizing ATPA

94CA0147C Santa Fe de Bogota EL TIEMPO in Spanish 25 Jul 94 p 3B

[Report by Alejandra Castellote]

[Text] A production problem could be the reason Colombia has not derived more benefit from the tariff advantages offered by the United States.

A study by the National Association of Industrialists (ANDI) revealed that one obvious reason the Andean Tariff Preference program (known by its English acronym ATPA) has not yet yielded specific results is that Colombia is not producing great quantities of the goods that were granted tariff reductions.

Indeed, of the 6,000 tariff items covered by the ATPA (nearly 75 percent of Colombia's exports), only 2,000 truly received new benefits.

According to the ANDI, only 385 of the latter items are registered for national production with the Foreign Trade Institute (Incomex), and 182 are exported to the U.S. market.

"This suggests that there is a production problem for which there is no clear solution," states the study published in the magazine REVISTA ANDI.

In addition, another group of products had already been granted tariff reductions before the ATPA came into effect, under the General Preference System (GPS) implemented by the United States in 1976. It covers about 140 developing countries, including Colombia.

In general, the ATPA excludes 50 percent of the total value of Colombian sales to the United States; some 20 percent is not subject to additional preference because of reductions prior to this program; and about 18 percent is subject to the General Preference System.

No Advantage for Traditional Goods

The ANDI reports that the ATPA does not provide any major advantage for traditional exports, because some are included and others already enjoy preferential treatment in the United States under the GPS.

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Oil, which is our primary export to the United States, is not included in the ATPA, so there is no reduction in tariffs.

Fuel oils, which are also an important component in the basket of exports to the U.S. market, are also excluded from preference because they are oil derivatives.

Coffee and coal, which are included in the ATPA, were already imported to the United States duty free before the Andean program came into effect.

Clearly the ATPA has not brought any additional benefit for traditional exports.

Moreover, these products have gradually lost ground among total exports to the United States. Their share of total exports has fallen from 67.4 percent in 1987 to 47.4 percent in 1993.

Flowers Improving

Although it is nontraditional goods that have provided the impetus for sales to the U.S. market, the ATPA has only had a positive effect on flowers, according to the ANDI.

Other nontraditional goods were excluded, or had already been given tariff advantages prior to the Andean preference program.

Flowers are the second most important export to the United States after petroleum, and have displaced coffee.

"The ATPA has been a real benefit to these products, since only miniature carnations, which account for 4 percent of flower sales to the United States, had been duty free under the GPS," says the study.

The ATPA gives Colombian suppliers of flowers other than miniature carnations a preference of 8 percent over other providers of flowers to the U.S. market.

Ready-made garments, with sales to the United States having expanded nearly 20-fold in the last six years, were excluded from the Andean program.

Other important exports to the U.S. market, such as bananas, emeralds, cement, and books have the same preferences they had before the ATPA, since they have been included in the GPS for several years.

All of these products account for 18 percent of the total value of exports, that is, $474.7 million a year.

Apertura Benefits Pharmaceutical Industry

94CA0147B Santa Fe de Bogota EL ESPECTADOR in Spanish 22 Jul 94 p 9B

[Text] Cartagena—The economic liberalization [apertura] has improved the health of the Colombian pharmaceutical industry.

The balance of trade in this sector, which was negative last year, has shown a 24-percent growth in exports, from $27.7 million in 1992 to $34.4 million in 1993, according to the president of the National Association of Industrialists (ANDI), Carlos Arturo Angel.

The business leader said that the liberalization and the access to new markets have prompted an increasing number of businesses to shift their focus to the search for modern organizational and administrative structures, the purchase of new machinery, and an increase in production.

"Last year, more than 308 laboratories were registered with an average of 190 products each, which means that a wide range of products are available to the public. The fact that they are offered by a large number of companies makes for healthy competition on the market," stated Angel.

Production in this sector totaled 340 billion pesos, generating an aggregate value of 174 billion pesos and jobs for more than 12,000 Colombians.

Angel spoke at the opening session of the 2d Latin American Forum of the Pharmaceutical Industry, which is being held at the Cartagena Hilton.

Referring to the state's role in this new stage, he indicated that significant progress has been made toward streamlining administrative and operational procedures, but he warned that more political decisiveness is needed to make sure the changes have a real impact.

The pharmaceutical sector has undergone major structural reforms, he said. Although most businesses meet international standards satisfactorily, some must make a greater effort to adjust, and for that they need a phase-in period.

Planned Security Expenditures for 1995 Viewed

94CA0147A Santa Fe de Bogota EL ESPECTADOR in Spanish 26 Jul 94 p 1B

[Report by Efrain Pachon O.]

[Text] Although the efficiency of military spending in Colombia is still very low, in 1995 it will grow by more than the spending in the education, health, justice, and agriculture sectors.

The investment budget for state security agencies will increase by 38 percent next year.

The resources allocated for this purpose will total 185.5 billion pesos, and will be oriented particularly toward financing the Public Forces Five-Year Plan.

A total of 51.9 billion pesos will be spent on refitting aircraft and purchasing helicopters.

War materiel will account for 14.342 billion pesos in spending; part of that amount will go toward refitting and changing the caliber of rifles.

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Communications equipment purchases will total 19.98 billion pesos.

Another important spending category is the construction of government housing for military and police forces, which will total 11.432 billion pesos.

These funds will help resolve the housing shortage among officers, petty officers, and policemen.

More Justice

The investment plan for the judiciary will cost 119.406 billion pesos next year, 35 percent more than in 1994.

A high percentage of this amount will be earmarked for strengthening the jail infrastructure and judicial offices.

A sum of 17.534 billion pesos has been allocated for the construction and renovation of jails, including the conclusion of projects at the maximum security wards in Itagui, Palmira, Bellavista, Cali, Picota, and Modelo.

In addition, construction will continue at the jails in Girardot, Fusagasuga, San Andres, Popayan, Barranquilla, and Apartado.

In the construction and furnishing of judicial offices, 18.427 billion pesos will be used for headquarters and 14.855 billion for prosecution units, 24 percent more than in 1994.

Funds for building the headquarters of the Office of the Prosecutor General of the Nation in Bogota will be included in the latter category.

Altogether, the investment in justice and security will total 305 billion pesos in 1995.

Compared to an increase in military investments of 38 percent, investments in education will go up 26 percent, in health 36 percent, and in agriculture 28 percent.

An additional increase in military spending is expected in the face of the guerrilla offensive.

Security Upgrades for Bellavista Prison

94CA0146B Santa Fe de Bogota EL TIEMPO in Spanish 31 Jul 94 p 25A

[Text] Medellin—Minister of Justice Andres Gonzalez Diaz yesterday visited the Bellavista National Prison in Bello, north of Medellin, and used that opportunity to preview the maximum security block being built.

During his visit to the prison facility, the minister was accompanied by Colonel Gustavo Socha Salamanca, director of INPEC [National Penitentiary and Prison Institute], and Bellavista's director, Gustavo Zuleta Gaona.

The Ministry of Justice has invested a total of 1.866 billion pesos in the construction and outfitting of the Bellavista maximum security block. The facility has two stories, contains 76 cells, 59 dormitories, offices, an infirmary area, a restaurant, and guard towers.

Prison spokespersons said the maximum security block will operate independently, although under the same administration and security as the rest of the jail.

Criminals incarcerated for crimes like drug trafficking, breach of the peace, and special cases that require isolation will be confined in the new block, as these facilities have no direct communication with the Bellavista jail.

It was also confirmed that Luis Fernando Henao Giraldo, known as Misil, a deputy of deceased drug kingpin Pablo Escobar Gaviria, attempted to commit suicide in his cell in the maximum security jail of Itagui, south of Medellin.

INPEC spokespersons reported that Henao consumed an unspecified amount of "Baygon" insecticide. When the first symptoms of poisoning appeared, he was given first aid by a prison doctor. He was then transferred to a hospital in the capital of Antioquia, where his life was saved.

After the crisis had passed, Henao was returned to the Itagui jail. There he remains, along with 15 other close associates of Escobar.

With Escobar and seven other members of the Medellin Cartel, Henao two years ago took part in the sensational escape from La Catedral in the Envigado hills, and was later arrested on 14 October 1992. The 24-year-old was first arrested on 1 August 1991.

Henao is the youngest of Escobar's lieutenants confined in Itagui. A few days ago he appeared at an early hearing for the crimes of escaping from prison and carrying weapons illegally.

Anti-Guerrilla Unit Formed for Bogota

94CA0146A Santa Fe de Bogota EL TIEMPO in Spanish 30 Jul 94 p 13A

[First paragraph is EL TIEMPO introduction]

[Text] The unit will be deployed in three sectors of the city and will conduct ongoing control and search operations in areas considered vulnerable.

Yesterday the Metropolitan Police established a unit to respond exclusively to possible attacks by the Guerrilla Coordinating Group in the nation's capital.

The new unit consists of 150 men trained by COPES [Police Special Operations Center] in counterguerrilla operations, terrorist attacks, and the taking of buildings.

The response group began to function yesterday. It will have jurisdiction over urban and rural parts of Bogota to maintain ongoing control of areas where public order is considered vulnerable.

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Metropolitan Police spokespersons reported that the unit will have three armored vehicles intended exclusively to respond to possible guerrilla operations in the city.

Units of the new response group will be distributed in the north, south, and west of the city to provide improved coverage of control and counterinsurgency activities.

"What we want," said General Luis Enrique Montenegro Rinco, commander of the Metropolitan Police, "is to have units deployed in the areas most vulnerable to guerrilla actions so they can act immediately."

The strategy seeks to increase effectiveness in responding to actions like those recently conducted in Ciudad Bolivar and the nearby locality of La Calera, where the FARC [Revolutionary Armed Forces of Colombia] have concentrated their most recent terrorist activities.

Some unit members will be assigned to patrol and control duties in rural areas near Bogota like La Calera and Usme where in recent months insurgents from the XXII Front of the FARC have been spotted.

The new group will receive support from the Metropolitan Police GOES [Special Operations Group] in rescuing hostages and taking buildings.

These units will maintain constant contact with the city police units to supply information on possible movements of Guerrilla Coordinating Group insurgents toward the capital.

The group was formally established yesterday by the director of the National Police, General Octavio Vargas Silva, at a ceremony held at the General Santander Cadet Training School south of the city.

General Montenegro said the creation of similar groups in major cities of Colombia where the guerrillas have established urban support networks will depend on the results obtained by this unit.

Military Materiel

Both the urban and rural units will have appropriate military materiel to respond to subversive actions. Police spokespersons said they will have "M-60" and "Punto 50" automatic weapons.

Operations will be coordinated by an innovative mobile communications system, making it possible to coordinate operations from vehicles traveling to the areas where insurgent actions are taking place.

The unit has a mobile repeater with a 25-kilometer range, and it can even monitor the guerrillas' communications from vehicles.

Both the armored response vehicles and other vehicles of the new unit will be connected to the mobile repeater to boost effectiveness in control activities.

Paraguay

Brazil To Share Meteorological SCD-1 Satellite

PY2508233294 Asuncion ABC COLOR in Spanish 20 Aug 94 p 76

[Text] During a news conference at the Defense Ministry National Directorate of Civil Aeronautics (DINAC) yesterday, Dr. Helio Barros, the Brazilian Science and Technology Ministry planning director, announced that Brazil has placed at the disposal of Paraguay a cooperation program to share the use of the Brazilian satellite SCD-1 [Data Collection Satellite-1]. This satellite is specially designed to collect and transmit meteorological, hydrological, and environmental data.

The Brazilian official said the Brazilian Government is very interested in establishing a meteorological information system with regional countries, using for this purpose accurate data supplied by the SCD-1 satellite, which is already in orbit.

Dr. Barros noted: "We virtually relied on data collected by U.S. satellites. Now we have our own satellite and we believe it is appropriate to process our own data."

Dr. Barros and Dr. Antonio Divino Moura from the Brazilian National Institute of Space Research [INPE] and engineer Sergio Paula Pereira, an expert on the use of the SCD-1 satellite and other environmental satellites, came to our country to explain the scope of the cooperation offered.

Brazil has offered Paraguay the use of the satellite system for collecting and transmitting meteorological, hydrological, and environmental data; numerical meteorological forecasts drawn up the INPE Weather and Weather Forecasting Center in Sao Jose dos Campos; effects on South America's weather changeability; and personnel training (technicians, masters, doctors, experts, etc.).

Benjamin Grassi, the DINAC Meteorology and Hydrology director, noted that the Brazilian offer is very important for our country because these reports could be used to take precautionary action in advance against river floods and other disasters.

Wasmosy Views Drug Trafficking, Crime

PY2508154894 Asuncion ABC COLOR in Spanish 20 Aug 94 p 4

[Report by special correspondents Nestor D. Escobar, Ignacio Martinez, and Jorge Caceres and ABC COLOR correspondent Hector Guerin in Ciudad del Este]

[Excerpt] Ciudad del Este—During a speech delivered in the Alto Parana Government Building after meeting with Alto Parana Department civilian and military authorities, President Wasmosy said: "The U.S. Government believes all of us here are abetting drug trafficking. I am telling you this straightforwardly." Army Commander General Lino Oviedo also was present.

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Afterward, the president noted: "We have to improve our image. It is no good for us to go abroad and present a new image for our country while there still is trafficking, contraband, and crime here." The president asked for the assistance of all segments to change this image. Wasmosy said: "Help me to change our country's image abroad. This is my petition. And I want to leave a message for you: Let us work honestly."

Without wasting any time, governor Carlos Barreto Sarubbi, who was sitting in the first row, was the first one to hail the president's petition. [passage omitted]

Foreign Minister Views First Year

PY2508214494 Asuncion ABC COLOR in Spanish 14 Aug 94 p 6

[Interview with Foreign Minister Luis Maria Ramirez Boettner by Hugo Ruiz Olazar and Hilarion Acosta; place and date not given]

[Text] [ABC COLOR] Please give us your opinion of President Juan Carlos Wasmosy's first year of government?

[Ramirez Boettner] The most important achievement is that the international community is again considering Paraguay as a serious country after being on the sideline of events for many years.

[ABC COLOR] Was Mercosur [Common Market of the South] good for us?

[Ramirez Boettner] Mercosur gave us several very important advantages. The most recent meeting in Buenos Aires was very difficult.

[ABC COLOR] There was a heated reaction to [Argentine Economy Minister Domingo] Cavallo's remarks.

[Ramirez Boettner] His remarks were very hasty. He was perhaps carried away by a momentary impulse because some items did not favor them.

[ABC COLOR] Did you talk with him later?

[Ramirez Boettner] Yes, I did.

[ABC COLOR] He could not have been any clearer: "Paraguay, Uruguay, if they want they can join us, if they do not want to they can stay out." What did he tell you?

[Ramirez Boettner] Well, he said he was misinterpreted and that he really did not mean what he said.

[ABC COLOR] When Mercosur begins, we will surely see more than one trick among partners....

[Ramirez Boettner] We must not think that way. This is why we are very interested in the president's proposal to elect (Mercosur) authorities before 1995.

[ABC COLOR] What would have happened if Paraguay had withdrawn from Mercosur?

[Ramirez Boettner] We would have been isolated.

[ABC COLOR] Is there any other alternative?

[Ramirez Boettner] We cannot be isolated.

[ABC COLOR] How did Argentina and Brazil take the proposal to declare Ciudad del Este a free trade zone?

[Ramirez Boettner] Brazil has a free trade zone in Manaus, Argentina has Tierra del Fuego, and Uruguay has Montevideo. We argued that Paraguay should also have a free trade zone.

[ABC COLOR] What is a free trade zone?

[Ramirez Boettner] It is a limited industrial, commercial, or service area where goods can be manufactured and where imports can enter without paying duties. It creates jobs, industries....

[ABC COLOR] Will Ciudad del Este become Paraguay's free trade zone?

[Ramirez Boettner] Possibly, but there is no obligation to turn Ciudad del Este into a free trade zone.

[ABC COLOR] What do you know about our neighbors experience in this area, with Manaus, Tierra del Fuego...?

[Ramirez Boettner] Manaus generated a lot of employment in an area where it was difficult to find jobs.

[ABC COLOR] What will change in Ciudad del Este if the city is declared a free trade zone?

[Ramirez Boettner] Current commercial activity in the city will tend to disappear. It will possibly continue to import, but not at current levels.

[ABC COLOR] We have received some reports on the involvement of diplomatic personnel in illegal activities abroad.

[Ramirez Boettner] We have conducted inquiries. All those involved in irregular conduct were forced to leave.

[ABC COLOR] How is the inquiry on former Ambassador Constantini [not further identified], who served in Japan?

[Ramirez Boettner] His case is being heard by ordinary courts.

[ABC COLOR] We hear a lot about political pressure, for instance we have the case of Consul Balmaceda [not further identified] who was transferred to Buenos Aires. He is a relative of the Colorado Party president. Many people objected to his nomination.

[Ramirez Boettner] ABC COLOR published a lot on the affair. We did not find any evidence to support any of the allegations. He was transferred to prevent any doubts.

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[ABC COLOR] Could we say that moving to Buenos Aires is like a promotion?

[Ramirez Boettner] No, it is not promotion. The consul general there is Juan Esteche Fanego.

[ABC COLOR] Esteche Fanego is another one. Are there any other ongoing inquiries?

[Ramirez Boettner] There are several inquiries....

[ABC COLOR] What happened to the official at the embassy in South Africa?

[Ramirez Boettner] He was dismissed.

[ABC COLOR] Do diplomats have some special weakness?

[Ramirez Boettner] Some yield to temptations and do things they should not.

[ABC COLOR] Is the Wasmosy government credible abroad?

[Ramirez Boettner] President Wasmosy has enormous credibility abroad.

[ABC COLOR] Can you give us proof?

[Ramirez Boettner] First, the World Bank and the IDB [Inter-American Development Bank] have opened their doors to us. IMF Managing Director Michel Camdessus will visit on 26 and 27 [no month specified] because he is interested in learning more about the way we are conducting our economy. His visit is extremely important.

[ABC COLOR] The opposition does not agree with that point of view. In the last few days opposition leaders have been visiting embassies, protesting over the Council of Magistrates....

[Ramirez Boettner] I was surprised that they visited embassies to discuss a clearly internal matter. They are tantamount to asking for foreign intervention in Paraguay.

[ABC COLOR] Do you think so?

[Ramirez Boettner] I think their attitude is inappropriate. They will not achieve anything.

[ABC COLOR] But we can also interpret the move as a form of defense. We have been unable to institute an independent justice system in five years....

[Ramirez Boettner] That is not my field of activity.

[ABC COLOR] But more than one investor probably asked you about judicial security in the country for their capital....

[Ramirez Boettner] The government is first in the line of those wanting judicial security. I think the problem lies in Congress, in the way congressmen approved the law [regulating the Council of Magistrates].

[ABC COLOR] Opposition leaders visited embassies to demand the resolution of something that never ends. The government says it is fulfilling its function. Many people think the situation resembles the comic book "Dr. Merengue's other self." He says something, but does something different.

[Ramirez Boettner] The opposition is playing an inappropriate role in this affair. I think understanding can be reached through dialogue.

[ABC COLOR] But there was a Governability Pact designed exactly for that purpose.

[Ramirez Boettner] There was.

[ABC COLOR] Some opposition groups said [PLRA leader Domingo] Laino was "not serious" because he accepted the pact with the government.

[Ramirez Boettner] That is not my field of competence. The way President Wasmosy is received abroad shows he has great credibility.

[ABC COLOR] You think these embassy visits will have no effect?

[Ramirez Boettner] No.

[ABC COLOR] In your opinion, what does the opposition want: To boycott Wasmosy?

[Ramirez Boettner] Possibly.

[ABC COLOR] The entire opposition, or just one part of it.

[Ramirez Boettner] I think political passions often blind people.

[ABC COLOR] You think the opposition is wrong and Wasmosy is on the right track.

[Ramirez Boettner] The opposition is wrong over the issue of the Council of Magistrates.

[ABC COLOR] Is Wasmosy not paying his political bills, as many opposition leaders complain?

[Ramirez Boettner] At least in my portfolio he is not.

[ABC COLOR] Do you think President Wasmosy will finish his term in office?

[Ramirez Boettner] Of course.

[ABC COLOR] We have been demanding a renegotiation of the Itaipu Treaty since 1973. It has always been said that the treaty established a laughable price for the energy produced by the Itaipu hydroelectric dam.

[Ramirez Boettner] Prices are not established in the treaty. Prices were established by a Council resolution, which can be changed.

[ABC COLOR] That is, it is negotiable.

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[Ramirez Boettner] Of course it is negotiable. We cannot amend the treaty. It is the foundation. Those who say: "Let us revise the treaty," do not know what they are talking about.

[ABC COLOR] Not even the possibility of selling Itaipu energy to a third country?

[Ramirez Boettner] This matter of wanting to sell energy to other countries is a little utopian. Brazil uses all the available energy. We have the Yacyreta hydroelectric dam with Argentina. It will start producing electricity in September. Then we have Corpus.

[ABC COLOR] Who will use the energy from Corpus?

[Ramirez Boettner] Corpus will be possible only if we have a client to consume the energy. Our only client is Brazil. Energy will be scarce in Sao Paulo by 1996 or 1997.

[ABC COLOR] If Itaipu's energy cannot be sold to other countries, does this not go against the Mercosur integration spirit?

[Ramirez Boettner] In time we will probably implement an energy integration plan, but only when Mercosur and the other hydroelectric projects start operating.

[ABC COLOR] Many Paraguayans think the price of Itaipu's energy is laughable.

[Ramirez Boettner] Who will buy it if we raise the price?

[ABC COLOR] Brazil needs energy. It takes more than 80 percent of the total.

[Ramirez Boettner] Much more than that.

[ABC COLOR] Could Paraguay impose a price?

[Ramirez Boettner] We cannot impose a price. We are partners and the decision must be taken together.

[ABC COLOR] Is Paraguay happy with the price of the energy that is sold to Brazil?

[Ramirez Boettner] So far, yes.

[ABC COLOR] Will the government revise the price?

[Ramirez Boettner] So far, no.

[ABC COLOR] Some environmentalists think Itaipu has already damaged Paraguay and that, in a short term, its effects will be noticed in the environment.

[Ramirez Boettner] Those are all speculations. We have respected the environment. We protected river banks to prevent silting and deposits from hurting the dam.

[ABC COLOR] That is precisely the point. They say there could be a repetition of happened to the Pilcomayo River [which has silted up] at the dam.

[Ramirez Boettner] I do not think anything like that will happen in the next 200 years.

[ABC COLOR] You think Itaipu will last 200 years. Other people think it will only last 25 years.

[Ramirez Boettner] We will always have people saying groundless things.

[ABC COLOR] What is the situation of the islands near Yacyreta, over whether they belong to Argentina or Paraguay?

[Ramirez Boettner] We are studying the issue in depth.

[ABC COLOR] What do you think. Do they belong to Paraguay or to Argentina.

[Ramirez Boettner] I think they belong to Paraguay. Talavera Island belongs to Paraguay.

[ABC COLOR] Argentina did not fulfill its commitment on the Pilcomayo River diversion, did it?

[Ramirez Boettner] It did, but very little. We are requesting them to do their part. Otherwise, and in accordance with the act signed on 14 August 1994, we will do the job ourselves.

[ABC COLOR] What will happen if we build the submerged threshold project and more water enters Paraguay than Argentina?

[Ramirez Boettner] We have always talked about equitability. We will respect that principle.

[ABC COLOR] Did the Foreign Ministry ever handle the issue of damage compensation?

[Ramirez Boettner] We see the issue of compensation in terms of development of the area. We have built a 208-meter bridge over the Pilcomayo River linking Pozo Hondo with Mision La Paz.

[ABC COLOR] Did President Wasmosy talk about developing the area where Argentina, Paraguay, and Bolivia meet?

[Ramirez Boettner] The zone has very rich lands. We are sponsoring the Santos-Antofagasta transcontinental road through Paraguay across that bridge.

[ABC COLOR] Do Argentina and Bolivia agree to create a center, or a test population project in the three borders area?

[Ramirez Boettner] The area will be populated immediately after we build the road. There is always development when a road opens.

[ABC COLOR] Today there is nothing up there, but you say that the zone is very rich....

[Ramirez Boettner] Yes, because it is totally isolated.

[ABC COLOR] Do you think the area could become a development pole?

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[Ramirez Boettner] I will give you an example. When we started the road towards Brazil, from the town of Coronel Oviedo toward the Parana River, there was nothing there.

[ABC COLOR] It was impenetrable jungle.

[Ramirez Boettner] I will tell you an anecdote. I was a Foreign Ministry under secretary when we started building the road back in 1954. The Americans asked: What do you want a road for? To get to the river? The development of the area was not in sight at that time, but look what Ciudad del Este is today....

Chief of General Staff Praises Government

PY2408183294 Asuncion ULTIMA HORA in Spanish 15 Aug 94 p 5

[Interview with General Pedro Concepcion Ocampos, Armed Forces chief of general staff; place and date not given]

[Text] [ULTIMA HORA] What achievements have been made during this government's first year?

[Ocampos] Various phases developed during this period. Taking into account the declaration issued by the military echelon during the coup of 2 and 3 February 1989, we have dedicated ourselves to enhancing the Armed Forces. Concerning this goal, we have made good progress. We cannot say that (this goal) has been fully achieved because there still is a stretch to be covered.

I understand that, after a fairly incipient transition period, the current government's actions have been totally positive. Strengthening democracy represents a very laborious and difficult task. Nevertheless, we must be optimistic and, as time goes by, the hopes that all of us are harboring might be fulfilled.

[ULTIMA HORA] Is it possible to talk about a military democratization?

[Ocampos] No, because it is an institution with a chain of command. Nevertheless, we, in the Armed Forces, are now being governed by a conscious chain of command in which each one of us responsibly discharges his duties. We are also improving ourselves so that reason and good sense will prevail, thus enabling us to achieve our goal as an institution.

[ULTIMA HORA] How would you describe the fact that, after several decades, a civilian is heading the Armed Forces as commander in chief?

[Ocampos] It represents a consequence of our civic and political maturity. It involves allowing the political power, exercised by a citizen, to play a leading role. I understand that this fact involves adjusting ourselves to the current government standards prevailing in all civilized countries. This is something that we must keep and strengthen by all means because all of us are making an effort for the good of all Paraguayans. This must be a permanent goal for us.

Looking ahead, each one of us must be more cooperative because if all of us are narrow-minded, it will be difficult to achieve the common good. This will be our contribution to the strengthening of our country's democracy and well-being.

[ULTIMA HORA] Would the strengthening of a civilian in his role as Armed Forces commander in chief represent the most important goal for the coming years?

[Ocampos] Not precisely as a leader of the military institution because the president of the Republic takes over as such and as Armed Forces commander in chief. Therefore, we the military echelon totally respect his authority.

In this regard, it is worth noting that the Armed Forces is the institution that has been causing fewer problems for the president during his term in office. It is truly praiseworthy for our institution to be our government's armed branch, and not only a support, but a solid stronghold to strengthen and promote this democratic system.

Possible Changes in Military Leadership Rumored

PY2508194394 Asuncion NOTICIAS in Spanish 20 Aug 94 p 8

[Text] A high-level source from the commander in chief's office, who preferred to remain anonymous for fear of reprisals, has announced that a series of discharges in the Paraguayan Armed Forces are brewing. According to the source, about nine generals will go into retirement.

Therefore, Division General Lino Cesar Oviedo will become Military Forces commander, replacing Vice Admiral Eduardo Gonzalez Petit, who, of course, will go into retirement.

The commander in chief's office reportedly will appoint Jose Tomas Centurion, the current Military Training Institutes Command (CIME) commander, to replace Oviedo. Brigade General Roosevelt Benitez, the current I Army Corps chief of staff, will be appointed CIME commander.

Other changes that are being considered involve Division General Oscar Rodrigo Diaz Delmas, who will leave as I Army Corps commander. Brigade General Santiago Zaracho Frucadez, the current 1st Cavalry Division commander, reportedly will be appointed to replace Diaz Delmas.

Brigade General Eligio Torres reportedly will be appointed as I Army Corps commander, replacing Division General Iran Centurion. The I Army Corps is headquartered in San Juan Bautista de las Misiones. Brigade General Pedro Fernando Torres Martinez, the current 5th Infantry Division commander, reportedly will be appointed III Army Corps commander. The III Army Corps is headquartered in Mariscal Estigarribia.

General Pedro Hugo Canete, the current 6th Infantry Division commander, will reportedly become 1st Infantry Division commander, replacing General Carlos Alberto Ayala, who would become 2d Infantry Division commander. The

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2d Infantry Division is headquartered in Villarrica. Colonel Hugo Diaz Cano reportedly will be appointed as "Mariscal Francisco Solano Lopez" Military School director.

According to the source, Gen. Lino Oviedo, as Military Forces commander, reportedly will become a four-star general. General Pedro Ocampos reportedly will remain in his current post, that is, chief of General Staff.

Peru

Mrs. Fujimori: 'Democracy Begins at Home;' Refuses To Leave

PY2508210494 Madrid EFE in Spanish 0544 GMT 25 Aug 94

[Excerpts] Lima, 25 Aug (EFE)—The confrontation between the Peruvian presidential couple reached a new high when Susana Higuchi rejected the decision of her husband, President Alberto Fujimori, to remove her from the functions of first lady.

Higuchi has not accepted the separation. On 24 August she said she continues to be the first lady at her office at Government House because "she is not divorced and continues to be the president's wife." This latest move further deteriorates existing disagreements between the presidential couple.

President Fujimori's decision, which apparently sought to end the confrontation within the government and his family seems, however, to have backfired because, according to legal experts and politicians, the president cannot remove from his wife the function of first lady because she continues to be his wife as they are not divorced.

President Fujimori said in his unexpected message on 23 August that his wife can engage in political activities of "open opposition to the government" whenever and wherever she likes, like any other citizen "but not as the first lady."

Higuchi said she continues to be the first lady working at Government House. If the president wants to separate her from that job, she will have to be prevented from entering Government House and prevented from carrying out her functions. Some observers believe this move will not necessarily favor Fujimori. [passage omitted]

Susana Higuchi later conveyed a message to her husband via the media in which she says that "democracy begins at home" and urges him to meet with her to talk about their problems and to try to achieve a reconciliation "for the well-being of the family."

Uruguay

Interior Minister Denied 'Terrorist' Presence

PY2508145694 Montevideo LA MANANA in Spanish 20 Aug 94 pp 2, 3

[Excerpts] On 19 August, in the city of Florida, Interior Minister Angel Maria Gianola flatly denied the alleged presence of subversive cells and arms deposits in the zone of Chui. "I receive detailed intelligence information on what is happening throughout the country and no one has discovered any such thing. It is simply a question of media information that is full of exaggerations indirectly affecting Uruguayan families of Arab ancestry."

According to reports which allegedly came from Brasilia, it was stressed that Itamaraty [Brazilian Foreign Ministry] had informed the Uruguayan Foreign Ministry about the alleged presence of subversives and arms deposits in the zone of Chui, which, according to the same reports, had presumably been discovered in the neighborhood of that border town, but up to the present time they have not been found.

The report, which was disseminated on 18 August by [Brazil's] O Globo Television Network, also indicates that the alleged subversives presumably have equipment using the latest technology, such as M16 and AR15 rifles, grenades, and even rocket launchers.

Moreover, Gianola, in remarks to LA MANANA on 19 August in Florida, flatly denied the report, terming it as "absurd," and adding: "Do not take too much notice of the media of the capital," in a clear reference to a morning newspaper that is not LA MANANA.

According to the report that was disseminated on 18 August and denied on 19 August, the armed group that had been detected in the zone presumably belongs to the so-called Islamic Unification Party and to the Amal and Hizballah groups, which have also been linked to the massacre that occurred on 18 July in the Jewish organization AMIA [Argentine-Israeli Mutual Association] in Buenos Aires. The report also indicates that the weapons could be buried in a camping area close to the town of Chui.

The [Brazilian] newspaper O GLOBO also reported that the Brazilian Government presumably informed, through that country's Federal Police, Uruguayan police of several details regarding the investigation.

Due to all these rumors, LA MANANA contacted a source in the Uruguayan Foreign Ministry, who indicated that he had no knowledge of any type of report from the Brazilian Foreign Ministry regarding this topic. Neither was there any luck with the police, much less with the National Intelligence Directorate of the Interior Ministry.

Moreover, despite the reigning secrecy, it is believed that this organization was surely evaluating information so that it could give its version regarding these events. [passage omitted]

Gianola said that "I want to point out that we do not know where this report, one of many that has been circulating during the past few days, originated, or with what intentions, and that it has absolutely nothing to do with the truth. I can say that we have absolute security within the country and that there are no indications that can presuppose the possibility of a terrorist attack." "In

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other words," the minister continued, "I dismiss the existence of any type of cell in Uruguay."

"What I cannot dismiss is the fact that tomorrow a subversive group could suddenly cross our borders and install itself to carry out terrorist activities against our institutions, our buildings."

"That fact cannot be dismissed. But, having made an evaluation of the situation, you can be sure that there are no subversives to be found among the Arabs living in Uruguay. They are all integrated with the country, with work, and they have families with children who are studying."

"They are Uruguayan families and they do not respond to any type of terrorism; therefore, it would be a good thing if all of us united to defend the right of these people to live in peace, free from entangled suspicion and distorted information that embodies bad intentions," the minister emphasized. [passage omitted]

Candidates Say No Reform of Social Security

PY2508185394 Montevideo LA MANANA in Spanish 17 Aug 94 pp 2, 3

[Text] Only 11 days from the plebiscite, and in view of the opposition that the so-called "mini-reform" project, which is to be submitted in the plebiscite to be held on 28 August, is receiving, the candidates of all the political parties agreed to issue a document in which they promise to respect the current functioning of the Social Security Bank [BPS].

Thus, in a 274-word document, the nine candidates have answered the demand of the associations of pensioners that had called for a negative vote in the plebiscite with the argument that it contains modifications pertaining to the functioning of the BPS.

Vice President Gonzalo Aguirre, who called the media to his office in Congress, was charged with the task of issuing the document.

Aguirre explained that the document's objective is to publicly clarify that the constitutional reform bill that will go to a plebiscite on 28 August does not call for any constitutional changes for the BPS.

The vice president also indicated that the document, which was issued on 16 August, is not signed by the presidential candidates because to do so "each of the candidates would have had to come to my office in order to sign it jointly. And, as we are fully into the election campaign and there are multiple commitments, it would have been practically impossible to coordinate a time for all of us to be together." The approval of the document was tacit and it was achieved in various ways, even over the telephone.

When he was asked to clarify this, Aguirre said that "the most important thing is the manifest desire of the candidates to tell the people that the contents of the document are an agreed upon opinion, and that this is the process that they will use when the constitutional reforms regarding the BPS are applied.

Finally, he stated that the document that is being handed today to the media is the original one and that no changes have been requested, although Deputy Rafael Michelini did request a change, but this would have meant another round of consultations and "as we are close to the date of the plebiscite, we decided to release the document with its original text."

Following is the text of the document that was released by the vice president:

Document to the citizens from the candidates.

The undersigned, candidates for the Presidency of the Republic, wish to inform public opinion that the constitutional reform proposal that will be put to a plebiscite on 28 August does not alter the constitutional clauses pertaining to the BPS, nor does it have the objective of modifying in any way the current state social security system.

In this respect, they state:

1. The current membership of the board of directors of the BPS is maintained in the constitution (transitory clause G) with the representatives of the workers, pensioners, and contributing enterprises, and this cannot be changed by law in the future.

2. Article 195 of the constitution will not be modified. This article creates the BPS "with the objective of coordinating the state's social security services (this means all current services, and none of them can be suppressed by law or in any way be separated from state management) and of organizing social security in general."

3. That the closing down of the three old banks mentioned in transitory clause G has no type of practical consequences. All that has been done is to adjust the text of the constitution to reflect reality, because said banks were closed down as such and stopped existing as autonomous and separate organizations in 1967. They were absorbed and substituted by the BPS, which carries out and will continue to carry out all its functions.

4. All of this has been confirmed by the congressmen of all of the political parties that are represented in the two chambers when they approved the constitution that will go to plebiscite on 28 August, and as such it is an authentic interpretation, and the only possible one, of the rules and regulations regarding the BPS.

[Signed] Gonzalo Aguirre Ramirez, Jorge Batlle, Rafael Michelini, Jorge Pacheco Areco, Carlos Julio Peryra, Juan Andres Ramirez, Julio Maria Sanguinetti, Tabare Vazquez, and Alberto Volonte

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